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U.S. Oil Imports Fall to 3d Place In Trade Deficit

By Richard Halloran

WASHINGTON, July 5 (NYT) — U.S. imports of machinery and transport equipment, and manufactured goods, mostly from Western Europe and Japan, have overtaken oil imports as the biggest drain in the nation's expanding trade deficit.

This shift appears to be having an effect on the Carter administration's economic policies and the planned tactics President Carter will use to try to gain concessions at the Bonn economic summit later this month.

The change in the import pattern emerged after an analysis of statistics covering the first five months of this year released by the Commerce Department last week. The drop by oil to third place reflects the sustained U.S. expansion, which has pulled in more manufactured imports, as well as the decline in the dollar.

According to the figures, from January to May, the nation bought \$19.1 billion of machinery and transport equipment of all kinds, radios and televisions, automobiles, trucks, railroad equipment and ships, mostly from Europe and Japan — a 35.6-percent increase over a year ago.

Two Categories

In addition, it imported \$18.2 billion of manufactured goods including iron and steel, nonferrous metals, alloys, plastics, instruments, medical equipment, bicycles and other items — a 38.8-percent

increase. Altogether, the value of those two categories came to \$37.3 billion, or 65.9 percent of all imports, more than double the \$15.9 billion for imported oil during the same period.

Leaders in West Germany, France, Britain and Japan in recent months have openly criticized the United States for the trade deficit and the dollar's decline and have attributed them to excessive oil imports.

Officials here said that Mr. Carter, who has not taken issue with the criticism in an effort to persuade Congress to pass his energy bill, would urge the Europeans and Japanese to open more of their markets to U.S. exports, focusing on hidden barriers to these exports. He was also said to be preparing to urge other leaders to stimulate their economies to absorb more of both their own products and the U.S. exports.

But the president was further expected, as originally planned, to assure the other leaders that the United States would, through either legislation long-delayed in Congress or executive action, cut oil imports.

Another Tack

On another tack, a study group appointed by Mr. Carter to find ways to improve the nation's export performance, which has been lackluster for two years, is expected to make its recommendations known within a few weeks.

Politically, the effect of the changing import patterns on the president's energy bill is unclear. He has proposed taxes to increase oil prices and thus slow imports, and he has threatened to impose import fees or quotas if Congress fails to approve those taxes.

But Congress is reluctant to pass any new taxes in this election year, particularly with the so-called tax revolt, and the Senate has approved a measure forbidding the President to impose oil-import fees.

Mainly boosted by exports of industrial goods, the nation's trade deficit rose to \$14.8 billion for the January-to-May period from \$8.2 billion last year — a 79-percent rise.

Government economists explained that the expanding economy partly accounted for the increased inflow of goods. So did the competitive drive of foreigners — their productivity rates were better and thus they kept their prices down. Slow growth in Europe and Japan also forced more of their goods into export markets.

But some of the import increase, ironically, came from the cheaper (Continued on Page 2, Col. 3)

At Least 8 Die In Tornadoes in Northern U.S.

BISMARCK, N.D., July 5 (Reuters) — At least eight persons were killed and dozens injured as two tornadoes swept rural communities in the Plains states overnight and early today.

One twister touched down in Elgin, N.D., and destroyed an area four streets wide in the town of 800 persons. Elgin fire chief Clarence Werner said that five persons were killed, more than 20 hurt and at least 60 homes destroyed.

"It was unbelievable. It was the first tornado I'd ever seen and I never want to see another," he said.

Five hours later, another tornado struck the village of Gary, just across the North Dakota border in Minnesota. Three persons were killed, and a school, a number of homes and several small businesses were reported damaged or destroyed.

After 5 Years of Dominance Unity of Nixon Justices Wanes

By Warren Weaver Jr.

WASHINGTON, July 5 (NYT) — The legacy Richard Nixon left the Supreme Court — generally conservative justices who consistently voted together — is disintegrating after five years of dominance over the tribunal's rulings.

During the court term that ended Monday, the four justices named to the bench by Mr. Nixon voted as a bloc on 36 percent of the cases decided, little more than half the record for judicial solidarity that they had regularly produced before.

Perhaps as a result of the growing independence of the Nixon justices, the high court decided 55 percent of this term's criminal law cases in favor of the defendant. During the previous five terms, the majority had ruled for the prosecution about 65 percent of the time.

The record of the term indicates strongly that Chief Justice Warren Burger's influence with his col-

leagues, Associate Justices Harry Blackmun, Lewis Powell Jr. and William Rehnquist, has declined during the last nine months.

Three Other Appointees

The three other Nixon appointees voted against the legal position of the chief justice about twice as often in this term of the court as they did in each of the preceding two. Mr. Blackmun broke with the chief justice on 40 of 133 votes, Mr. Powell on 35 and Mr. Rehnquist on 26.

This division was illustrated most dramatically when Justices Powell and Blackmun voted to up-

hold the constitutionality of affirmative action programs in admission to professional schools in the Bakke case, leaving the chief justice and Justice Rehnquist in the minority.

The dissolution of the Burger bloc, which had voted as a unit between 67 and 75 percent of the time over the preceding five terms, did not necessarily mean that the ideological position of the court was shifting, apart from the noteworthy movement in the area of criminal law.

While the four Nixon justices voted together less frequently, when they did, they had fairly consistent support from three of their colleagues. Associate Justices Potter Stewart and Byron White voted with the Burger bloc on 83 percent of its unified decisions and



Warren Burger



William Rehnquist

Acheampong Steps Down as Ghana Leader

ACCRA, Ghana, July 5 (Reuters) — Gen. Ignatius Kutu Acheampong resigned today as Ghana's head of state, the armed forces announced. Gen. Acheampong was succeeded by his deputy on the ruling military council, Lt. Gen. Fred Akuffo, according to the announcement quoted by the Ghana news agency.

Controversy had flared inside and outside Ghana over a referendum last March that endorsed the government's plans for a future political system involving mixed civilian, military and police rule.

The military council said that Gen. Acheampong, 46, who came to power in a bloodless coup six years ago, had resigned to ensure the unity and stability of the country, and also that he had retired from the armed forces.

The announcement did not explain the reasons for the resignation. The agency said Gen. Acheampong's departure had stunned the nation and that Ghana's border with Togo was reported to have been sealed off.

(Continued on Page 2, Col. 3)

Kosygin Says U.S. Is Hindering Trade

From Wire Dispatches

MOSCOW, July 5 — The Supreme Soviet, the parliament of the Soviet Union, opened its regular summer session today with Premier Alexei Kosygin blaming the United States for hindering U.S.-Soviet trade.

As a tanned and rested-looking President Leonid Brezhnev listened, Mr. Kosygin told delegates that trade is "in effect, still at the outset" because of "the unwillingness of the United States to extend normal conditions for trade."

It was an indirect reference to the 1972 U.S.-Soviet trade agreement that was never implemented because the U.S. Congress linked it with the issue of human rights. Designed to open up business between both sides, the agreement called for granting the Soviet Union "most-favored nation" trading status, entitling it to lower credit rates and lower tariffs. But when the agreement was approved by Congress in 1974, an amendment linking special trading status with Jewish emigration from the Soviet Union was added.

Never Implemented

The Kremlin refused to implement the amended agreement, and it remains a sore point in U.S.-Soviet relations. Mr. Brezhnev once said that the amendment cost the United States \$2 billion dollars worth of sales, but Western experts say that figure is too high.

Yesterday, Mr. Brezhnev told the Communist Party Central Committee that the country has failed to solve problems of waste and inefficiency in agriculture.

"The basic problem outlined by Brezhnev was that the government is not getting a sufficient return on its investment in agriculture," one Western diplomat said.

Besides reviewing U.S. trade difficulties, the Supreme Soviet was to consider the agriculture report and what Tass described as major legislation on treaties and election laws.

Trade Decreases

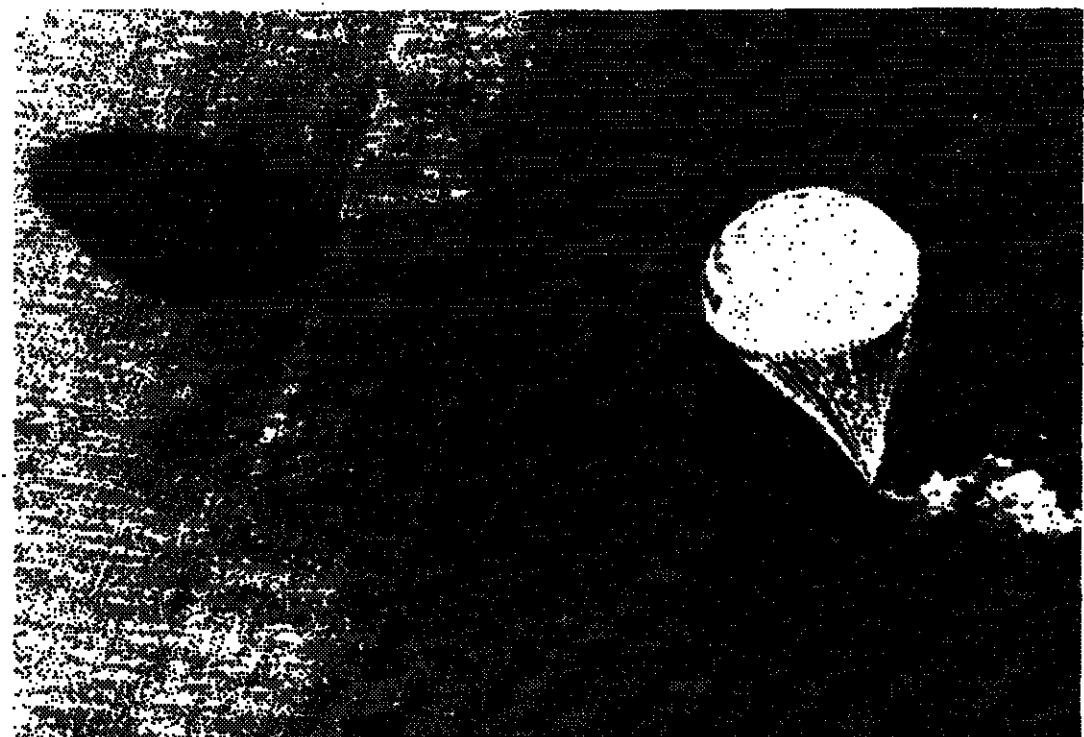
Since 1974, U.S.-Soviet trade has been sagging. Total U.S. exports to the Soviet Union last year were \$1.62 billion, a 30-percent decrease from 1976. Soviet exports to the United States totaled \$234.3 million, a 62-percent increase from 1976.

For the three-month period from January to March of this year, figures also were disappointing. U.S. exports to the Soviet Union totaled \$593.6 million, compared to \$599.1

million for the same period last year. Soviet exports to the United States were \$114.8 million, compared with \$59.3 million for the same period last year. The dramatic change was due to an accounting procedure whereby \$80.9 million in nonmonetary gold bullion was included in this year's figures, analysts say.

U.S. businessmen here contend that the sagging trade ties are not the fault of the United States alone. Retaliation charged. Acknowledging that the denial of "most-favored nation" trading status has made the Russians less anxious to deal with U.S. companies, the businessmen maintain that in many cases, the Russians will choose a German or Japanese firm as a way of retaliating against unfavorable U.S. laws.

Mr. Kosygin noted in his speech that U.S.-Soviet trade amounts to only 2 percent of Soviet foreign business at a time when Moscow is trading with 118 countries in the world. As the official who manages the Soviet economy, Mr. Kosygin declared that the economy "is one of the decisive sectors of the struggle (Continued on Page 2, Col. 2)



Soyuz-30 capsule, with two-man crew aboard, lands safely at end of mission.

But Talks Seem Likely Egypt's Peace Plan Disappoints Israelis

From Wire Dispatches

JERUSALEM, July 5 — Israeli officials received the Egyptian peace plan for the West Bank and Gaza Strip today. There was no official reaction, but Israeli officials privately said that they were certain that the proposal would not impede the planned London resumption of face-to-face talks between Israel and Egypt.

Nonetheless, the officials called the peace plan a disappointment that illustrated the wide gap between the Israelis and the Egyptians in the quest for peace.

A few days ago, during the visit to Israel of Vice President Mondale, the Israelis said that Foreign Minister Moshe Dayan would participate in the London meeting with Egyptian Foreign Minister Mohammed Ibrahim Kamel so long as the Egyptian plan did not require prior negotiating conditions of the Israelis.

The Egyptian plan, a long-awaited counterproposal by President Anwar Sadat to the plan put forth last December by Israel's Prime Minister Menachem Begin, appeared at least to satisfy that Israeli stipulation.

Little Enthusiasm

There is, however, little enthusiasm or optimism in official circles here about the London meeting, which is aimed at getting the stalled direct contacts between Israel and Egypt moving again.

This rather gloomy view was also reflected in recent talks with Egyptian officials in Cairo. Both sides seem to be willing to participate in the London talks more to please the Americans than because they expect a major breakthrough in the negotiating impasse.

"I don't see much hope — the gap is very wide," an Israeli Foreign Ministry official said today. "I don't see how the gap can be bridged."

An official Israeli reaction to the Egyptian proposal — a number of parts of which came as no surprise here — is expected to emerge at the regular Sunday Cabinet meeting, although an earlier special Cabinet session to deal with it has not been ruled out.

'Not Surprised'

One ranking Israeli official, who asked not to be identified, said,

"We were very disappointed by the Egyptian counterproposal, although we were not surprised by them." The Egyptian plan, in his view, had a "very extremist tone."

The plan does not abandon two key points — both unacceptable to Israel — insisted upon by Mr. Sadat since he made his historic visit to Jerusalem last November: that the 1.1 million Palestinian Arabs in the Israeli-occupied West Bank and Gaza Strip have a right to self-

determination; and that Israel must withdraw from the territories it captured during the 1967 war.

The Egyptian plan calls for UN supervision of the Israeli withdrawal from the territories, which is certain to displease the Israelis who have little faith in the impartiality of UN forces.

The English version of the official text of the Sadat plan says "The Israeli military government in (Continued on Page 2, Col. 6)

Effect in China Weighed U.S. To Allow Israel To Sell Taiwan Jets

By Richard Burr

WASHINGTON, July 5 (NYT) — The Carter administration, in a decision with important implications for U.S. policy toward both the Middle East and East Asia, has agreed to allow Israel to sell 50 to 60 advanced fighter-planes to Taiwan.

The controversial decision to approve the estimated \$500-million deal was made last week by the White House, and officials said that Vice President Mondale told Israeli leaders about it during his visit last week. The administration had had Israel request to sell the fighters for four months, and officials said that the approval was timed to reduce strains in U.S.-Israeli relations.

Exports Sought

Israel has wanted to export the fighter, known as the Kfir, to several countries, but the United States had been unwilling to approve the proposed sales. Under U.S. law, Israel must have the administration's permission to sell the warplane, a cause it is equipped with a U.S. engine.

Although the administration's decision is designed to improve the climate of relations with Israel, officials said that the sale could also have a significant impact on the U.S. effort to normalize relations with China.

Taiwan, which China claims as part of its territory, relies on the United States for most of its military equipment and the government in Taipei has been seeking a new interceptor craft to defend against possible attack in the 1980s. The administration has been eager to meet Taiwan's request but has not wanted to jeopardize the possibility of improved ties with Peking.

U.S. Jets Refused

Accordingly, the administration last week decided against granting Taiwan's request for the U.S. F-4 Phantom because the fighter would enable Taiwan to bomb deep into the Chinese mainland. At the same time, defense studies showed that less advanced U.S. craft now possessed by Taiwan, such as the F-5, would not enable it to police the Taiwan straits against new Chinese fighters.

Officials said the Kfir, which means "lion cub" in Hebrew, was viewed by the White House as the best answer for the administration's military and diplomatic requirements. Militarily, the supersonic Israeli fighter is thought to possess sufficient capability to defend Taiwan against air attack, but it also lacks the necessary payload and range to strike at China.

Rocket Hits Defense Chief's Apartment Building

Lebanon Aide Goes to Syria for Cease-Fire

BEIRUT, July 5 (AP) — Sporadic volleys of tank, rocket and machine gun fire brought the worst collision between Syrian peacekeeping forces and Lebanon's rightist Christian militias into its fifth day in Beirut today.

Rightist Lebanese radio announced that the sixth cease-fire since Saturday was scheduled to take hold tonight. The accord was the apparent result of talks in Damascus initiated by Fudud Butros, the foreign and defense minister, who returned to Beirut late in the day.

The presidential palace had said that Mr. Butros went for talks with Syrian government leaders in a bid to halt the clashes that cut much of Beirut's water or electric power supplies.

The minister's apartment building in the Sarakka quarter of the Christian sector was hit by a rock-

et. It ripped through the eighth floor, two stories above Mr. Butros' apartment.

A police spokesman said it could not be determined whether there were any casualties. But he said that most of the tenants in high-rise apartment buildings have been living in basement shelters since the fighting was renewed Saturday.

A one-hour barrage from Syrian tanks and Russian-made multiple-rocket launchers hit Beirut's Moslem sector shortly before dawn.

A police spokesman said that at least 35 Lebanese were killed and 62 wounded since a 17-hour cease-fire collapsed yesterday afternoon.

The spokesman put the Lebanese casualty toll since Saturday at 167 killed and 579 wounded. This was the highest casualty toll in the three major confrontations between the Syrians and Christians this year.

Syrian losses could not be determined, but they are believed to be much higher.

The Syrians make up the bulk of the 30,000-man Arab League forces that smothered Lebanon's 1975-1976 civil war 20 months ago.

Former President Camille Chamoun, leader of the rightist alliance, demanded yesterday that the Arab truce forces be withdrawn from Lebanon.

Lebanon's Moslem Premier Sel-

im al-Hoss rejected Mr. Chamoun's demand and said "Lebanon still is still badly in need of the Arab forces to oversee the civil war armistice."

Mr. Chamoun's demand, broadcast live by the radio station of the rightist Phalange Party, was believed to be one reason for the collapse of the latest cease-fire.

Syrian gunners knocked the station off the air but it announced that it was repaired late in the night and would resume normal broadcasts this morning. The Syrians rocketed it again and the station failed to broadcast on schedule.

Syrian troops with artillery and rockets were sighted heading toward the capital from the southwest port of Sidon 30 miles away. Arab correspondents said. There was no immediate indication how large a force was involved.

Japan Train Sets Record

MIYAZAKI, Japan, July 5 (Reuters) — An experimental Japanese "floating" train with an unusual linear motor reached a speed of 249 mph in a test run today, breaking the record for a railway vehicle, the Japanese National Railways said.

Peking Is Trying to Sell Chinese on Instant Rice

By Linda Mathews

HONG KONG, July 5 — In a move guaranteed to make connoisseurs of fine Chinese cuisine shudder, China has begun to promote fast foods, including instant rice, as the key to the country's economic salvation.

The People's Daily, in an unusual three-part series on what it dubbed "the eating problem," has urged readers to abandon homemade steamed dumplings and other traditional meals in favor of convenience foods, such as dehydrated rice, mass-produced noodles and packaged dinners.

"In the interest of progress, people's dietary habits have to change," the newspaper said in an editorial calling for "a big revolution in food."

Switching to a diet heavy on convenience foods will free workers from time-consuming household chores, provide men and women with more leisure and eventually permit the government to divert restaurant workers into sectors more crucial to the country's modernization drive, the People's Daily said.

'Switching to a diet heavy on convenience food will free workers from time-consuming household chores and provide men and women with more leisure.'

Even China's military preparedness would benefit from fast foods, the newspaper said. The soldiers of the elite People's Liberation Army could increase their mobility by making do with instant noodles and dehydrated soups, it said, instead of carrying woks with them in their defense against Soviet social-imperialism.

Peking also hopes that ready-to-serve foods will enable it to shut some of the restaurants, cafeterias and canteens that have proliferated as its people became too busy to eat every meal at home. More than half the population of Canton has breakfast outside the home, the People's Daily said, and the 12,000 eating establishments of Shanghai, the world's most populous city, provide at least one meal daily to each of the city's residents.

The People's Daily contends that the country's small-scale eateries are inefficient. With convenience foods, it is claimed, China could reduce the number of eating establishments but increase their efficiency, freeing workers for other industries.

Resistance Likely

Despite all the supposed advantages of fast foods, China's rulers are almost certain to encounter substantial resistance from a population that is obsessed and fussy about what it eats. In fact, the standard greeting in China is not "hello," but "Have you eaten?" The phrase may derive from China's frequent famines.

Peking's rulers obviously realize that it will not be easy to get everyone to like fast foods, and they are

prepared to force the issue if necessary.

As the People's Daily observed, "Now, some comrades will undoubtedly say, 'After eating steamed bread for so many years, I'm conditioned to it. No matter what you say, I'm not going to change.'" But the newspaper said that even long-held habits can be broken.

"Men's habits are developed under certain conditions and can be changed when conditions are altered," the People's Daily said. "Originally men went about eating wild fruits and raw meats, and dressed in leaves and animal skins. But eventually mankind started cooking its food, and switched to silk and cotton clothing." Now we even wear synthetic fibers,"

proof that the world "continuously changes."

A special pitch was made to female readers, perhaps because editors appreciate that even in egalitarian China, where women supposedly "hold up half the sky" and without exception hold down full-time jobs, too, the burden of household work still falls primarily on them.

Some women "spend up to six hours every day on cooking, washing, child care and sewing, and Sunday is even worse," the People's Daily said. But by substituting instant noodles and store-baked bread for the homecooked pastries that are the staple of most diets, women could have more time for study and rest, the newspaper suggested. Eliminating hot breakfasts and lunches would save at least half an hour every day, according to its calculations.

Today, nearly every market in Peking sells prepackaged and, in some cases, precooked combinations of meat and vegetable that have been dubbed "Chinese TV dinners" by the capital's foreign residents.

"You stand in a long line, tell the (Continued on Page 2, Col. 7)

Moscow Allows U.S. Ambassador on TV

Toon Softens Rights Remarks

By David K. Shieler
 MOSCOW, July 5 (NYT) — Ambassador Malcolm Toon of the United States spoke on Soviet television yesterday, after having been refused permission to make such a speech last July Fourth. His remarks, which had been videotaped, avoided the pointed references to human rights that had angered the Russians last year.

Mr. Toon's prepared statement a year ago, submitted in advance to Soviet officials, contained a reference to the "fundamental and inalienable rights" enshrined in the founding principles of the United States, then declared:

"But we recognize, more than those who watch us from afar, that we are not perfect. We recognize as well that a man cannot live up to his ideals, however, if he ignores them. Americans will continue to state publicly their belief in human rights and their hope that violations of these rights, wherever they may occur, will end."

Yesterday, Mr. Toon adopted a softer approach. "Much has

changed in the world since that time when British colonies in North America banded together to defend their inalienable rights to life, liberty and the pursuit of happiness," he said. "But one thing has remained constant: the recognition by the American people that only in conditions of peace and mutual respect can the inhabitants of this globe enjoy the fruits of their labor and develop their full potential."

That was the only direct reference to rights, which have been made a central theme of President Carter's foreign policy, a theme that has annoyed Soviet authorities.

Another variation on the theme was provided at Mr. Toon's large Independence Day reception at his residence, Spaso House. Two years

ago, before Mr. Carter came into office and while Walter Stoessel was the ambassador, invitations were extended to a variety of Soviet dissidents, including Andrei Amalrik, the writer, and various artists and other outspoken critics of the government. Yesterday not one was seen.

Distance From Dissidents

"Most of them are in jail or in the West," a U.S. diplomat remarked. But it seemed also to reflect a shift in embassy policy, a step away from the cordial and relatively easy, frequent association between dissidents and diplomats of earlier years.

Now embassy officials must get permission from superiors before meeting dissidents, even socially. One young woman in line for a secretarial job in an embassy office was told that she could no longer see any Russians except in the company of another foreigner, and that she must report to the embassy all personal contacts with Russians. She turned down the job.

The tightening came in the aftermath of accusations in the Soviet press that several Jewish dissidents, including Anatoli Shcharansky, who is in prison awaiting trial, were working for the CIA through U.S. diplomats. Combined with recent official actions against U.S. citizens — the arrest of a businessman on charges of currency violations and the unprecedented lawsuit for libel against two U.S. reporters — such accusations have increased tension and wariness.

Speaking in Russian on the evening news program, Mr. Toon said that the United States and the Soviet Union had made "significant progress toward effective arms control."

"But we still have a long road ahead of us," he said. "We must recognize that there are fundamental differences between our two countries which give rise to problems in our relations. Our views of society and its political, social and economic organization, our conceptions of the individual and his role in society, and finally, our philosophical approach to the fundamental problem of ensuring peace and stability in the world, are very different."

"These differences in outlook have been, and will continue to be, reflected in our internal and foreign policies. But despite these basic differences we must find ways to work together not only for our mutual benefit but for the well-being of all mankind."

Oil Imports Overtaken

(Continued from Page 1)

dollar. Some economists say that a devalued dollar is supposed to slow imports because foreign goods cost more. Instead, Americans have been importing as much or more than before and paying higher prices. Some orders had already been placed and finding less-expensive suppliers takes time. Americans, having grown accustomed to foreign-produced goods such as cameras and cars, are continuing to buy them despite higher prices.

Government economists contend that the import surge will not last and that eventually the higher prices will slow down the imports. But, as when, they replied with estimates ranging from a year to five years.

Compounding the trade imbalance has been a relatively poor performance in U.S. exports. Exports of raw materials in the January-May period rose only 2 percent and machinery only 5.3 percent. But machinery and transport equipment, the biggest item in U.S. exports, jumped 9 percent to \$2.2 billion, manufactured goods were up 10 percent and agricultural products, another export staple, rose 18 percent.

10% Oil Decline

During the five months, the country imported 1.2 billion barrels of oil worth \$15.9 billion, down from 1.36 billion barrels worth \$17.6 billion a year ago. In fact, oil imports have declined by 10 percent over the past year — the only import category to do so.

The President and administration spokesmen have taken little public notice of the change in import patterns — instead, they follow the official line of emphasizing the size of oil imports in order to push the bogged-down energy bill through Congress.

U.S. Blamed In Sales Lag

(Continued from Page 1)

for Communism." He was quoted by Tass as saying:

"Soviet economy, unfamiliar to which are inflation, unemployment and recessions in production, the invariable features of capitalist economy, is developing at a higher rate than production in the capitalist countries."

Growth Rate Cited

The premier contended that the Soviet Union's average annual rates of growth in industrial output were twice as high as the United States, three times that of the Common Market countries and more than 1.7 times that of Japan.

Mr. Brezhnev's agriculture report made it clear that Soviet society has yet to solve its farming problems and that Soviet agriculture is not yet able to meet the demands of the nation's 280 million citizens.

He listed poor results in agricultural transportation, modernization and mechanization, development and use of chemical fertilizers and insecticides, and in official cooperation and management.

India Sets Rule For Arms Deals

NEW DELHI, July 5 (AP) — India said today that it will apply the same policy to purchases of military equipment as it does to buying Coca-Cola — provide the technology or no sale.

Defense Minister Jagjivan Ram told a parliamentary committee that major purchases of military equipment not produced here would come only from countries agreeing to provide the technology to permit eventual manufacture in India.

The policy could affect mainly the Soviet Union, which has been India's biggest outside supplier of military equipment. But Sweden, France and Britain are competing for the next major order of five squadrons of deep-penetration strike jets to replace the air force's Canberras and Hunters.

U.S. Jet Tankers Get Britain Base

LONDON, July 5 (UPI) — The British government has agreed to give base facilities in Gloucestershire to U.S. Air Force KC-135 tanker planes, the government said today.

The announcement in Parliament by Defense Secretary Fred Mulley that the tankers will use the Royal Air Force Base at Fairford angered residents of the area, who complained that the giant tankers would cause intolerable air and noise pollution in one of the most picturesque areas of Britain.

A local residents' association said that it will send a delegation to Washington to protest the decision and to try to get it reversed. Earlier, the U.S. Air Force asked for facilities for the tankers at Greenham Common, but the request was turned down after a protest by residents of the area.

Camel Clinic in Israel

BEERSHEBA, Israel, July 5 (Reuters) — Israel has set up the Middle East's first clinic for camels — a million-dollar station in the Negev Desert. It opened yesterday with veterinary services such as X-rays, and blood and urine tests for the 20,000 camels of the desert's Bedouins.

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Francisco Letamendia, a Basque deputy in the Spanish parliament, requests a minute of silence in memory of wife of Juan Echave, killed in attack by terrorists in France.

Basque Demonstrators Attack 2 French Consulates

MADRID, July 5 (UPI) — Demonstrators protesting the shooting of former Basque guerrilla leader Juan Echave threw firebombs at the French consulates in the northern cities of San Sebastian and Bilbao last night.

The demonstrations followed memorial ceremonies for Mr. Echave's wife, Rosario, who was killed Sunday night in the attack in which Mr. Echave was seriously

wounded. The shooting occurred across the French border in Saint-Jean-de-Luz. An obscure Spanish rightist group calling itself "Triple A" claimed responsibility for the attack.

In the Cortes in Madrid, Basque deputy Francisco Letamendia requested a minute of silence for the incident. Bars, stores and factories closed in Mr. Echave's hometown of Mondra-

gon and there were shutdowns in Vergara and nearby villages. Mr. Echave was a leader of the separatist organization ETA.

In San Sebastian, firemen extinguished flames in the consulate started by a firebomb. The firebomb in Bilbao did not go off and caused no damage. In another Basque town, Fuenterrabia, a bomb injured two policemen.

Experts See Peril to Oil Lanes

Eritrea Held Key to Communist Threat in Africa

By Drew Middleton

NEW YORK, July 5 (NYT) — U.S. and West European intelligence analysts and military planners are saying that the Soviet-Cuban movement toward Eritrea is the most important strategic development facing NATO.

The establishment of Soviet air power on the Red Sea at Massawa, Eritrea, would create a direct threat to Saudi Arabia — whose capital, Riyadh, is 800 miles from Massawa — and to tanker traffic passing out of the Gulf through the Strait of Hormuz.

In the developing military situation resulting from Soviet initiatives in Africa, the sources say, Soviet and Cuban activities in the Horn of Africa are far more dangerous to the West than Communist operations in sub-Saharan Africa.

Highly Significant

As Gen. Johann von Kielmansegg, a former West German commander in the Atlantic alliance, put it: "Responsibility for the Shaba invasion is a political point. The movement into Ethiopia is a military operation of great significance."

East bloc ships and transport aircraft have delivered more than 120,000 tons of military equipment to a dozen African countries this year, U.S. and European officials

said. Included were helicopters, fighter aircraft, machine guns, mortars, rifles and ammunition, and a wide variety of military vehicles.

U.S. intelligence officials have said that Ethiopia has received more than 61,000 tons of this material this year. NATO intelligence sources also report that Soviet and East German technicians have been directing construction of military airfields in Ethiopia.

U.S. Response Debated

Concern over what the United States can or will do about the situation is strong among European leaders as Soviet power approaches the Gulf, the source of oil for most of Western Europe and Japan.

"We know what the United States can do," said Manfred Wornat, chairman of the armed services committee of the West German parliament. "The question is whether the United States will have the will to do it if there is an open Soviet challenge." He emphasized that he was talking of a more positive U.S. position on Soviet operations in the Horn of Africa, and not of intervention.

Allied leaders, including Gen. Alexander Haig, the NATO commander, avoid discussion of military intervention in the area, although, under the North Atlantic Treaty, the horn is within the alliance's potential theater of operations.

The consensus among NATO military analysts is that the Soviet Union is pursuing two long-term aims in Africa.

Bases for Fleet

The first is to establish military bases from which the two most powerful oil-producing states, Saudi Arabia and Iran, and the oil routes out of the Gulf could be threatened. The Russians already have use of the airfield and base facilities at Aden, in Southern Yemen.

The Russians are believed to want to base a fleet at Massawa and Assab. Analysts say that the Russians have moved a floating drydock from Berbera, in Somalia, from which they were evicted last year, to an island near Massawa. The goal would be to control the southern entrance to the Red Sea leading to the Suez Canal and Israel.

The Soviet Union's second aim is to achieve a position in sub-Saharan Africa that would enable it and its African client states to control the flow of strategic raw materials to Europe, analysts say.

West Germany, for example, imports all its tin and manganese, 99 percent of its titanium and 85 per-

Defected From Mugabe

15 Rhodesia Rebels Are Asked to Return

JOHANNESBURG, July 5 (AP) — Bishop Abel Muzorewa, chairman of Rhodesia's ruling Executive Council, said today that the 15 dissident members of guerrilla leader Robert Mugabe's forces are welcome to return to Rhodesia to take part in the transition to black rule.

Bishop Muzorewa said that he knew 10 days ago about the defection of 15 central committee members of Mr. Mugabe's Zimbabwe African National Union forces.

The Rand Daily Mail today reported that the 15 fled to Swaziland from a Mozambique prison. They were seeking political asylum after being detained in April because they differed with Mr. Mugabe about relations with Joshua Nkomo, Mugabe's co-leader in the Patriotic Front alliance.

Defectors Are Karangans

Mr. Nkomo, whose forces are based in Zambia, heads one wing of the Patriotic Front. Mr. Mugabe, whose forces are based in Mozambique, heads the other.

It was not known what effect the defections of the 15 — members of the Karanga faction within the Shona tribe — would have on the guerrilla war or moves in Rhodesia to implement a peaceful transition to black rule by Dec. 31. Rhodesian politics are divided among Mr. Mugabe, Mr. Nkomo and the binational coalition government in Salisbury.

The defectors include three men in Mr. Mugabe's military high command, Gen. Joseph Chimurenga; Henry Hamidziri, manpower secretary, and Rugare Gumbo, publicity secretary. The size of Mr. Mugabe's central committee was

not known. Most of the dissidents were arrested in Zambia in March, 1975, and held until October, 1976, when they went to join Mr. Mugabe in Mozambique.

Of the split in Mr. Mugabe's ranks and the recent death of Nkomo rival Alfred Mangena, Bishop Muzorewa said, "We have never had it so good." He said that if free elections were held now, with all parties represented, the guerrillas would be defeated. "It would be a walkover."

The attempted assassination in January of Mr. Mangena in Lusaka, he said, was proof that Mr. Nkomo's ranks were split. Last week, guerrilla forces in Zambia announced that Mr. Mangena was killed when he stepped on a Rhodesian land mine. However, Bishop Muzorewa contended that Mr. Nkomo's followers "finished him off."

In Salisbury, the defection report was greeted with pleasure but government sources said that they knew of no requests by members of the group to return to Rhodesia. Bishop Muzorewa said, "We welcome these people. I hope they don't waste time going somewhere else and come home."

A nationalist source in Rhodesia said that the group probably would go to Britain and watch Rhodesian developments.

High Court Changes

(Continued from Page 1)

Associate Justice John Paul Stevens on 81 percent.

As has been true for a number of years, the court's two leading liberal Democrats, Associate Justices William Brennan Jr. and Thurgood Marshall, voted together consistently, in 81 percent of the cases. Justice White joined them about three-quarters of the time, somewhat more frequently than in the past.

Beginning in 1972-73, their first full term together on the bench, the Nixon appointees voted together frequently, reaching a high of 75 percent unanimity the next term and tapering off to 67 percent last year. On virtually every occasion, they formed the nucleus of the majority. During the term that closed Monday, they only agreed 48 times on 133 votes, for 36 percent.

Their new independence was equally dramatic in criminal cases. Two years ago they voted as a bloc on 84 percent of such cases, last year on 68 percent, but this year on only 37.5 percent.

In areas other than criminal law, the court's relative unpredictability did not appear to produce any more liberal results. Last term the justices decided 8 out of 13 discrimination cases for the minority; in the two preceding years, they had ruled that way in 15 of 15 and 11 of 16 cases.

Media Cases

In cases involving the news media and First Amendment rights generally, the court handed down five decisions placing limits on freedom of information and three opposing such limits. During the two preceding terms, the court had decided most such cases in favor of freedom of information.

During the term, the justices reversed 67 percent of the decisions by lower courts that they accepted for review, slightly more than their average of 61 percent over the previous five years. Naturally, the high court tends to agree to hear more cases that its members believe have been decided wrongly below.

As a result of this reversal rate, most circuits of the U.S. Court of Appeals find their decision rejected by the Supreme Court more often than not. The term, only Justice Lewis F. Powell Jr. of New England and the Fourth in Maryland, Virginia, West Virginia and the Carolinas — had more of their decisions affirmed than reversed.

Frequent Reversals

The most consistently reversed were the Ninth Circuit on the West Coast, which lost 13 of 14 cases, and the Seventh in Illinois, Wisconsin and Indiana, which lost 10 of 11.

In past terms, Justices Brennan and Marshall have consistently been the most frequent dissenters, but this year Justice Rehnquist was. He is generally regarded as the most conservative man on the bench. He voted against the majority 36 times, compared to 34 for Justice Brennan and 32 for Justice Marshall. During the two preceding terms, the two Democrats dissented about 50 times each.

Justice Powell emerged for the first time as the most active author on the court, writing 15 majority opinions and 32 others either concurring or dissenting. The chief justice apportioned the majority opinions evenly among his colleagues, with each justice writing 13, 14 or 15.

On the whole, the 1977-78 term was just about as contentious as its predecessor, with 60 percent of the cases involving two or less dissenting votes and 40 percent involving three or four.

Istanbul Educator Slain
 ISTANBUL, July 5 (AP) — A deputy director of a college on the Asian side of Istanbul was slain today, hit 14 times by gunmen firing from two moving cars, police said.

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Slight Break Seen for Middle Brackets

U.S. Tax Bill Shaped for Votes

By Edward Cowan

WASHINGTON, July 5 (NYT) — With rare candor about political purposes, Treasury Secretary Michael Blumenthal and several Democratic House tax writers are trying to shape a tax-cut bill whose chief virtue, all hands concede, would be its ability to attract Democratic votes.

That appears to mean a bill that makes fairly even across-the-board cuts in personal income taxes and no significant change in the "progressivity" of the tax table. There might be a small shift, however, in the tax burden from those earning \$20,000 to \$30,000 a year to those in lower and higher brackets.

People making \$20,000 to \$30,000 will be the ones hardest-hit by the coming rises in the wage base that is subject to Social Security taxes, from \$17,700 this year to \$29,700 in 1981, if present law goes unchanged. These are the voters who have been clamoring most about taxes, members of Congress say.

An early attempt to draft a \$15-billion tax-cut bill, to include \$10

billion for individuals and \$5 billion for corporations, was made a few days ago by Rep. Joseph Fisher, D-Va., an economist and member of the Ways and Means Committee who often works closely with the Treasury Department. Rep. Fisher's bill, an aide said, would have given about one-third of the reductions to individuals in the \$20,000-to-\$30,000 bracket.

Quiet Meetings

The version that will go before the Ways and Means Committee in the week of July 17 — or later — could be different. Mr. Blumenthal has been meeting quietly with Ways and Means Democrats, singly and in groups of two and three, to forge a Democratic majority for a tax bill that the White House can live with.

There are two considerations. The first, according to an aide to Fisher, is "where does the distribution of the tax cut have to fall — what income brackets — to attract the votes?" The second is to exclude from the bill the type of capital-gains tax reductions denounced by President Carter on national television last week. There proba-

bly will be some such relief, conceals a high Treasury Department official, but perhaps only \$400 million worth rather than the \$2 billion cut proposed by Rep. William Steiger, R-Wis.

Would Mr. Carter go along? The treasury official carefully noted that the president had not ruled out any capital-gains tax cut, only the Steiger approach and the modified version proposed by a Ways and Means Democrat, Rep. James Jones of Oklahoma. Both would benefit chiefly high-bracket taxpayers. The indications are that the White House might go along with an exemption of \$10,000 of capital gains from the 15-percent minimum tax, in addition to the basic exemption of \$10,000 of other preference income.

Chairman's Task

Mr. Blumenthal's unannounced meetings have caused talk on Capitol Hill because he seems to have assumed the task usually taken on by the chairman of the committee, Al Ullman, D-Ore. Indeed, according to a very well-placed House Democratic source, Rep. Ullman is concerned that it will appear that he is not running his own committee.

The Ways and Means chief labored quietly and patiently for weeks to put together with Rep. Jones a compromise bill that combined tax cuts, some of the Carter-sponsored tax reforms and the modified version of Rep. Steiger's capital-gains tax relief.

Rep. Ullman has warned the administration that the strategy laid down by Mr. Blumenthal could lead to a debacle for the administration on the House floor.



Bucky Cox, all of 5 years old, runs for the finish line in a marathon race, all of 26 miles long, held in Junction City, Kan., on Independence Day. He unofficially broke the world record for a child under the age of 6, finishing the race in 5 hours 25 minutes and nine-tenths of a second.

Geneticist Measures 'Distance' Between Species

Hawaii Fruit Flies May Hold New Key to Evolution

By Walter Sullivan

HONOLULU, July 5 (NYT) — A geneticist here believes that he is zeroing in on the most critical step in evolution, the moment when a species splits to become two.

The goal of Dr. Hampton Carson, of the University of Hawaii, is to see how, on the molecular level, this split occurs.

Dr. Carson, who was an associate of the late Theodosius Dobzhansky, a pioneer in genetic research with fruit flies, works with fruit flies that inhabit the rain forests on the chilly slopes of 12 Hawaiian volcanoes. His recent investigations have focused on eight species that are related but genetically distinct.

The species are isolated from each other by water and distance. In this respect, the work is reminiscent of the classic observations of the young Charles Darwin when he visited the Galapagos Islands early in the last century.

Darwin found that on each island, the finches had evolved in independent ways. These observations helped to lay the basis for his evolution theory.

Island Age Factor

In his Hawaiian research, Dr. Carson has measured the "genetic distance" that separates the eight fruit fly species, and has found that it increases systematically from the younger to the older end of the island chain.

The implication is that as new islands form in the chain, they are inhabited by flies that have become slightly different from those on the nearest island and progressively more different from those on islands formed earlier.

This deduction has been made

possible in part by precise knowledge of the island chain's formative timetable. According to the generally accepted theory, the Hawaiian Islands have formed progressively as the floor of the Pacific Ocean drifted northwest over a "hot spot" deep in the earth.

Eruptions from this hot spot produced each of the islands, the largest island of Hawaii now being over that spot. Lava flows on Hawaii range in age from the present back 700,000 years, and each island to the northwest becomes older. Oahu, on which Honolulu is situated, is some 3 million years old. Kauai, beyond it, is about 5.7 million years old.

Protein Patterns

The genetic distance between fruit fly species is estimated in terms of the extent to which characteristic proteins in their bodies have been altered by substitutions along the chains of amino acids that form such molecules.

To gauge the change, a solution of proteins derived from a species of fly is subjected to an electric field. The proteins move through a gel at speeds determined by the weight of each molecule. When the current is switched off, the proteins



are distributed in a characteristic pattern that can readily be compared to protein patterns from other species.

Since fruit flies from the slopes of actively volcanic Mauna Loa are presumably the most recently evolved, a species from there has been used as the reference point for comparison of the other species.

It has been found that, in strikingly systematic fashion, the genetic distance increases with the age of the volcanic habitat of each species. As Dr. Carson puts it, "this shows that the proteins undergo a 'clock-like' change at a rate of about 1 percent each 20,000 years.

Weaknesses Seen in Computer System

U.S. Report Says Social Security Files Open to Abuse

By David Burnham

WASHINGTON, July 5 (NYT) — The Social Security Administration's financial and medical files on millions of Americans "are not properly safeguarded from potential loss, destruction, abuse or misuse," according to the General Accounting Office.

In addition to the alleged shortcomings in the Social Security Administration's physical record-keeping, the GAO said that it had found four broad security weaknesses in the huge computer system used by the government to operate the federal retirement and disability insurance programs and to provide administrative support for the Medicare program.

The Social Security Administration, which stores records on more than 170 million Americans, is one of the largest repositories of personal information in the federal government.

File Contents

Depending on the program, an individual file may disclose a person's life-term earnings, wages, real estate holdings, marital status, drug and alcohol use and detailed medical records.

According to the GAO, which is the congressional investigating agency, concern about the lack of adequate security has been prompted in part by recent reports of Social Security Administration employees improperly manipulating files for personal profit and one instance in which a "private company built a flourishing business by gaining unauthorized access to federal medical records and selling the information to many of the nation's largest insurance companies."

Don Wortman, acting commissioner of the Social Security Administration, said that the report recommended that procedures for protecting the records of individuals "can and should be improved."

"We agree with that recommendation, and we have already taken steps to insure that personal information in our computer system is made more secure," he said.

4 Problems

The investigation agency said it had found four design and management problems that led to security weaknesses in the computer system that links the more than 1,300 So-

cial Security Administration offices. They were:

- The computer system was designed so that the beneficiary files can be created, as well as queried, from most of the 3,900 terminals in a variety of federal, state and private offices.
- With a few exceptions, individual employees can gain access to the information in the files and even create new files without being required by the computer to identify themselves.
- The system employed by the Social Security Administration to lock its advanced computer terminals frequently is ineffective and no locking procedures have been adopted for an older but still widely used communication network.
- In many offices, computer and communication terminals are

situated where virtually any Social Security Administration employee can operate them. Even in offices where the terminals are situated in a single room, the agency found that "access to terminal rooms was not restricted to selected, designated individuals such as data transmission personnel, the manager and the security officer."

June Report

In June a report by the investigating agency criticizing the lack of locks and personnel controls appeared to contradict assurances given Congress more than six months ago by the Social Security Administration.

In a detailed statement describing the communication safeguards last Dec. 14, Commissioner Wortman informed Rep. John Moss, D-Calif., that access to all communication rooms "is on a need-to-know basis."

In contrast with the GAO findings, Mr. Wortman also contended that every terminal of his agency's advanced computer system is capable of being locked by a code-word program.

In his December letter to Rep. Moss, Mr. Wortman also disclosed that the Social Security Administration regularly provides information about an individual, without the subject's consent, to a number of federal and state agencies.

Progressive Erosion

Mr. Wortman said that U.S. attorneys, for example, were increasingly obtaining subpoenas to require the Social Security Administration to provide them with in-

Thai Court Sentences U.S. Couple to Life

BANGKOK, July 5 (UPI) — The Thai Supreme Court yesterday sentenced a U.S. man and his wife to death in a drug-smuggling appeal case, then reduced the sentences to life imprisonment.

A lower court had given them six-year sentences. The couple, William Ward and Sylvia Bailey, were arrested on a U.S. tipoff in February, 1974, and found with sealed envelopes containing 370 grams of heroin ready to be mailed to Washington, D.C.

Trails in Readers, Revenue

London's Observer Faces Grim Future

By R.W. Apple Jr.

LONDON, July 5 (NYT) — Fleet Street sources reported yesterday that The Observer, perhaps the world's most admired Sunday newspaper in the two decades immediately following World War II, is in peril.

Observer executives are gathered in Aspen, Colo., for a board meeting to consider the newspaper's future. Despite the infusion of vast amounts of capital by its U.S. owners, The Observer has so far failed to make the needed gains on The Sunday Times, its principal rival in the "quality" sector of the market. It still trails in readership, revenues and influence.

One informant said that labor troubles had set back the newspaper's recovery program so severely that most of the money set aside for a five-year plan had been consumed in only 18 months. Although no key Observer officials were available for comment, other members of the staff said that they expected no sudden sale or closing.

The situation is sufficiently difficult, however, that one despondent editor confessed recently that he saw no real future for the newspaper.

Saddened Supporters

Among the movers and shakers of the moderate left, for whom and to whom The Observer has traditionally spoken, heads are shaken sadly. Many of them confess that it takes them only half an hour to get through their copies of The Observ-

er, as compared to an hour and a half for the centrist Sunday Times.

Some months ago at an Observer banquet, an executive of the newspaper was seated next to a reporter whom he did not know. The reporter asked when the newspaper would begin to turn a profit. "Not in the foreseeable future," replied the executive, but the Americans would surely keep it going.

In a sense, The Observer was the creation of a great editor named J.L. Garvin. But it was in the post-war period, under the editorship of David Astor, that The Observer became the unquestioned journalistic voice of British liberalism. With writers such as Alistair Buchan on Washington, Colin Legum on the Commonwealth and Edward Crankshaw on Soviet affairs, the newspaper was read and heeded throughout the English-speaking world and beyond.

Out of Gas

But by the 1970s it was running out of gas. Some of its stars had left and others were tired. It had lost a significant part of its middle-class support with a courageous editorial condemnation of the French-British Suez adventure. And it had come under attack from The Sunday Times and its inventive editor, Harold Evans, who brought with him from northeast England new ideas about investigative reporting, magazine-style makeup and photographs.

In 1976, the newspaper went on the market. For a time, it seemed that Rupert Murdoch, the Australian press baron who later bought The New York Post and New York Magazine, would get The Observer. But a chance dinner engagement between a Briton named Kenneth Harris and an American named Douglas Cater changed all that. Mr. Harris was and is an Observer reporter. Mr. Cater, the author of a highly acclaimed 1959 book called "The Fourth Branch of Government," had worked for Reporter magazine and for the Johnson administration. Later he became involved with the Aspen Institute in Colorado and with its chief patron, Robert Anderson, chairman of the Atlantic Richfield Co., or Arco, one of the major oil corporations.

Arco Takeover

In short order, with the help of Lord Goodman, a lawyer, Mr. Cater and Mr. Harris arranged for Arco to take over the founding newspaper. Mr. Cater was installed as Mr. Anderson's London representative — as the publisher in U.S. terms. A board was set up that included Mr. Cater, Lord Goodman, Mr. Astor and Frank Stanton, the retired president of CBS. Some old-timers on the newspaper were dismissed, and new blood was introduced. Wider scope was given to some of the reporters already on the staff, including the political editor, Adam Raphael.

In addition, enormous sums of



Conor Cruise O'Brien

money were poured into promotion; some Fleet Street estimates say that the expenditures exceeded \$10 million. In April, The Observer introduced a section of so-called think-pieces, columns and profiles, and a living section. Both bore a striking resemblance to features already in The Sunday Times.

A rival editor, asked to comment on the new Observer, paid tribute to its book reviews, which are generally considered the most literate in Britain, to its business pages and to Mr. Raphael. But he complained that the newspaper lacked "a real reporting heart."

Confused Management

Some of the staff members, who agree with that judgment, blame a confused management situation. The editor-in-chief, Donald Treford, was installed in the waning days of the Astor regime. He is well liked in Fleet Street but his peers do not consider him a particularly strong leader.

In the view of some Observer reporters, he has never had a chance to demonstrate whether he is or not. He is the editor-in-chief, but there is also an editor, Conor Cruise O'Brien, an Irish writer and politician, who was appointed in December. No one is certain who is in charge. Mr. O'Brien has written relatively little for the newspaper and has excited not a single major public debate since his arrival.

The latest figures from the newspaper trade association show The Observer languishing in third place among the quality Sunday papers. The Sunday Times holds a strong lead with a circulation of 1.4 million. The Sunday Telegraph, the most pro-Tory of the three, runs second with 800,000 plus, and The Observer trails with just more than 700,000.

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Mideast: Artificial Respiration

Vice President Mondale's mission to the Middle East has not entirely revived the Mideast peace movement. But it has supplied some badly needed artificial respiration — against very difficult odds. By the time the Mondale party set forth, the vital signs of promising movement toward Mideast peace were, in a word, weak. U.S.-Israeli relations were uncommonly strained. The fears of many Israelis of American abandonment, tracing back to the joint Soviet-American call last fall for a renewed Geneva conference, had been more recently reinforced by the sale of U.S. warplanes to Saudi Arabia. Many leading Israelis sensed a thinly disguised conviction on the part of the Carter administration that the peace movement could never really progress while Mr. Begin remained in power.

And the mission was made no less difficult by the fact that what had originally been planned as largely a ceremonial participation in Israel's continuing celebration of its 30th anniversary had become inevitably caught up in efforts already under way, on separate diplomatic tracks, to promote a resumption of direct negotiations between Israel and Egypt. It thus became necessary for the vice president not only to discharge the ceremonial functions, to attempt to reaffirm in convincing fashion the depth and durability of the American commitment, but also to seek to put to rest as convincingly as possible the suspicions of a good number of Israelis of an American inclination to interfere in internal Israeli politics by trying to undermine the authority and even the power of Mr. Begin. And he had to do the latter while at the same time trying to prod the Begin government as firmly and forcefully as possible into a positive and constructive approach to the resumption of negotiations with Egypt.

Mr. Mondale's multiple purposes were painfully complicated by an unexpected — and, one would like to believe, inadvertent — contribution by President Carter himself. In the course of a question-and-answer session with out-of-town editors last week, Mr. Carter delivered himself of some observations about the state of affairs in the Middle East that, when publicly released over the weekend, could hardly have been less helpful to the delicate work in which Mr. Mondale was engaged.

The vice president, Mr. Carter was quoted

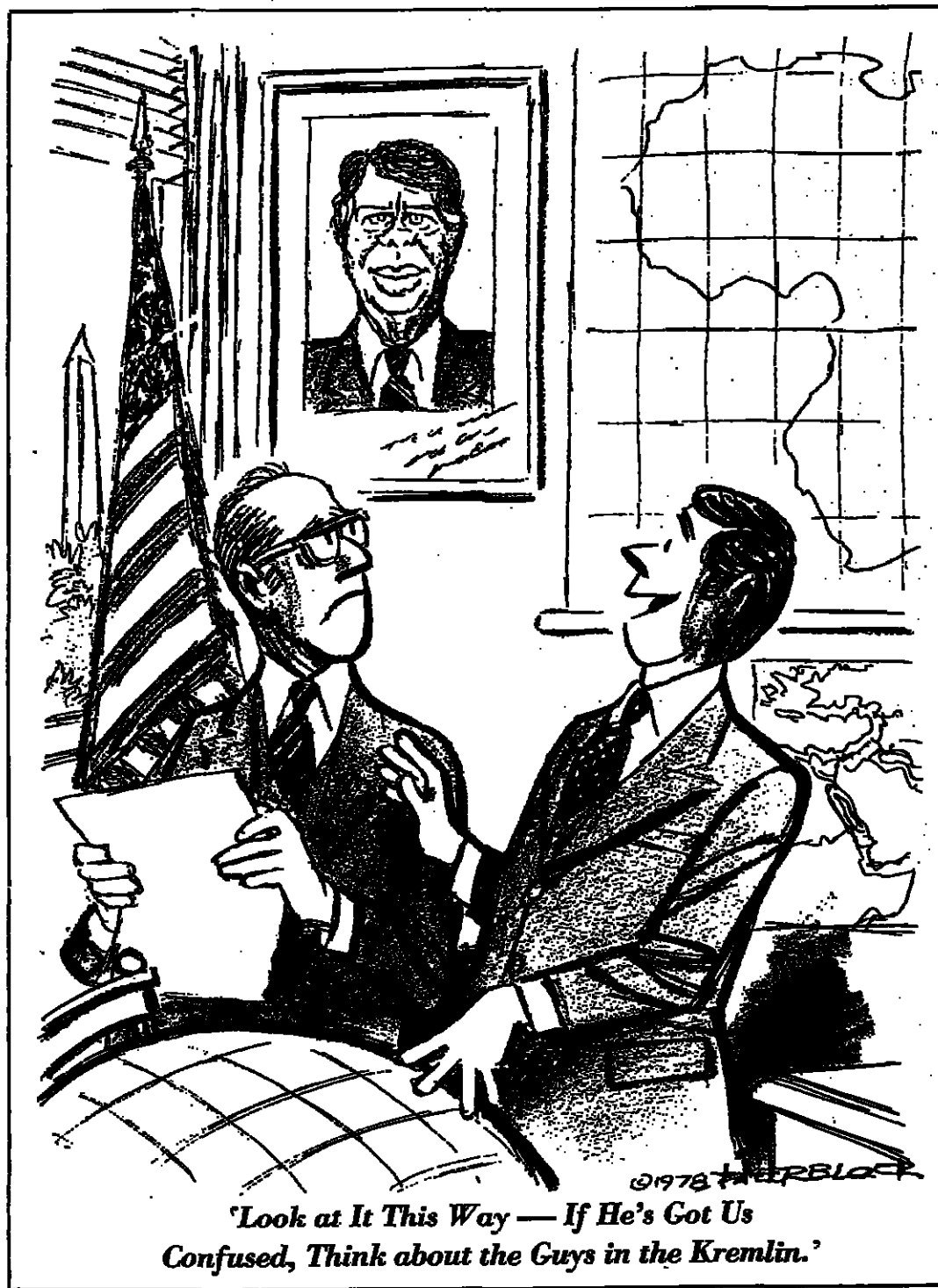
as telling the editors, was "doing some symbolic things to show the Israeli people we genuinely do care about them" — a characterization of the vice president's undertakings that would have been a little cynical even for an internal planning memo between bureaucrats. Graciously, he restated his "disappointment" with Israel's recent bargaining position. Casually, he offered his "guess" that an Egyptian proposal, which actually was handed to Mr. Mondale by Mr. Sadat in Alexandria on Monday, for transmission to the Israelis, and which the president obviously had yet to examine, would be a "step in the right direction, but inadequate" — a remark that, even with the benefit of later clarification, was taken by many Israelis in their present injured, sensitive state of mind as a reflection of their intransigence.

And, finally, before the hoped-for resumption this month of direct negotiations between Israel and Egypt had even been ensured, he held out the prospect of a renewed Geneva conference, an idea that almost nobody except the Soviet Union and the more extreme Arab states is in favor of, as a "fallback position."

We recite all this background merely by way of explaining why we think that under all the circumstances the vice president's Mideast mission was a success. He persuasively reaffirmed America's unshakable commitment to Israeli security. He used the occasion to state in plain and forthright terms the principles that the United States think should be applied to any ultimate Mideast settlement. He helped prepare the ground, insofar as it was possible, for a resumption of negotiations sometime this month in London between Egypt and Israel at the foreign minister level, with the United States on hand. He made no bones about the difficulties ahead and the large differences that will have to be bridged.

Perhaps most important, he apparently took more than one opportunity to stress the importance of a return to quiet, private, face-to-face diplomacy, as distinct from diplomacy "in the context of public declarations" — a prescription that we think is as appropriate to Mr. Carter as it is to Mr. Begin and Mr. Sadat.

THE WASHINGTON POST.



*'Look at It This Way — If He's Got Us
Confused, Think about the Guys in the Kremlin.'*

Huge Questions About Oil

By Anthony Sampson

LONDON — Despite all the economists' thorough predictions about the world's oil supplies, there remain huge question marks which could turn equations upside down. No group of oilmen are more aware of this than the geologists on whom the whole future business depends — and a vivid glimpse of the uncertainties emerged last week at a world conference in Calgary, the oil capital of Canada, organized by Canadian geologists.

The guest of honor was Sheikh Ahmed Zaki Yamani, the oil minister from Saudi Arabia, who arrived with strong security precautions involving about 100 Canadian police. It was a subject of wry reflection that, if it had not been for the geologists who persevered in Saudi Arabia 40 years ago, very few people would ever have heard of Sheikh Yamani, or even Saudi Arabia.

But Sheikh Yamani was now the guest of honor. He had come out of the bottle, and he was received in Calgary with due reverence as the world's leading oilman. In polished tones he gave a confident assessment of the future of oil supplies and prices. At present, he reckoned, there was an excess of oil production of 3.7 million barrels a day, largely due to three new suppliers outside OPEC — Britain, Norway and Alaska. But those extra supplies would soon taper off, while demand would increase, so that OPEC countries would have to increase their production by 1 to 1½ million barrels a day.

By 1987 the OPEC countries would be reaching the limit of their production capacity — and unless alternative fuels become available, there would be a serious shortage, which would lead to another sharp increase in the oil price — which OPEC will insist on to rectify the falling value of their revenues. Such a sudden rise, Sheikh Yamani warned, could have grave consequences for the world economy — it would therefore be far better to have a gradual period of upward prices, with both consumers and producers arranging to avoid oil surpluses and/or shortages, to create price stability. It could have been the authentic voice of John D. Rockefeller a century ago, explaining the need for an oil monopoly to keep prices stable.

The other chief speaker at the geologists' conference was Maurice Adelman, perhaps the most respected oil economist, from the Massachusetts Institute of Technology. He produced a forecast not unlike Sheikh Yamani's, but he dismissed all doomsday scenarios and insisted that the market place would ensure that there was no sudden crisis. "We are never going to run out of oil and gas, but rising prices will gradually force them out of more and more markets."

But behind these two confident appraisals there remained some huge question marks. In the first place, is OPEC such a rational and economic organization — particularly in the light of its past history? Sheikh Yamani, at a lunch afterward, insisted that the fourfold price increase in 1973 had been the result of market forces — but that was not how it looked at the time. It was the Shah of Iran who boldly pushed the price up to \$12 a barrel, against the protests of Sheikh Yamani, while most economists were insisting that the price could not stick.

The continued effectiveness of the world oil cartel, which has such a sudden beginning, remains a unique historical phenomenon with huge political repercussions — and so long as it remains effective the

position of Saudi Arabia will also be unique (as both Sheikh Yamani and Mr. Adelman recognized) as the regulator of the cartel, who can cut back or flood the market with oil — and who can also extract a high price from the West in terms of political and military commitment. But can we be sure that this unique power will remain?

For another question hovered over the conference like a specter: the question of Mexico. Sheikh Yamani, interestingly enough, never mentioned Mexico in his speech and was privately skeptical of the predictions of huge Mexican oil reserves. But Mr. Adelman estimated that by 1985 Mexico could produce 5 million barrels a day — more than any Arab country except Saudi Arabia. And while the Mexican delegates at the conference were cautious about the discoveries, some geologists believed that Mexican reserves could prove to be 100 billion barrels — or more than half Saudi Arabia's.

The consequences of Mexican oil on such a scale could undermine many assumptions. It could put off the day of reckoning, when the world has to do without oil. But it could also produce a very different political equation. It would be surprising if the Mexicans did not extract a very high price from the United States in return for access to their oil, particularly after the bitter history of the exploitation of Mexico's earlier oil reserves, which were drained from the country at knock-down prices. But Mexico would provide the natural supplier for America's insatiable demands for oil and the Mexicans would be much closer, and politically more attractive, suppliers than a desert kingdom 8,000 miles away.

A further question was to be found much closer to the conference, in the form of the untapped potential of the Athabasca tar sands, 300 miles north of Calgary. With a further increase in the oil price the large-scale mining of the tar sands could become profitable, eventually providing enough synthetic crude oil to fuel the whole of North America years to come. It was no secret that a large reason for Sheikh Yamani's visit to Canada was to look at the tar sands and to assess their future importance.

Thus the geologists and engineers, as so often in the past, are

still throwing doubt on the neat equations of forecasters, and on the assumptions of Western foreign policy. It would be ironic if the United States, having spent the last five years wooing the Saudis for the love of their oil, promising them all kinds of weapons, security and diplomatic support, were soon to find themselves having instead to woo their two closest neighbors.

China's Self-Encirclement

By Joseph Kraft

TOKYO — The flare-up between China and Vietnam has intrigued most of the world as an ironic turn in the continuing Indo-China war which finally safeguards the rest of Southeast Asia against Communist aggression. But here in Japan — which is in the midst of treaty negotiations with China — the rumble has been analyzed in the great-power context.

The Japanese lean to the view that an ongoing leadership struggle caused China to pick an unnecessary fight with Vietnam. As a result, the Chinese have completed their own encirclement and handed yet another international gain to Moscow.

As the Japanese see it, the Chinese leadership struggle pits a faction lining up behind the party chairman and premier, Hua Guofeng, against another faction behind the vice premier, Teng Hsiao-ping. Mr. Hua is the handpicked successor of Mao, and is thus glued to Mao's intense hostility to the Soviet Union.

Vice Premier Teng is committed to the modernization of China's industry, agriculture and military forces. He needs an external enemy to mobilize the country, and since Japan and the West are the most likely source of new technology, he too, is wedded to the anti-Soviet line.

The upshot is an internal competition as to which faction can be most beastly to the Russians. The Chinese thus approach the rest of the world as a kind of Manchurian power. They insist that all other countries be for them and against the Russians.

The tension with Vietnam is a striking example. The Vietnamese have long tried to hang midway be-

'Linkage' of West, 3d World Stability

By Jonathan Power

LONDON — "Linkage" is in fashionable use these days and President Carter and Leonid Brezhnev, try as they may, are not allowed to forget it. There is, however, another form of linkage, just as important, just as critical to the world's equilibrium but it rarely makes the headlines. It is the linkage between the prosperity of the Western world and the stability of the Third World.

Consider these facts:

- The developing countries now take 40 percent of the European Economic Community's export.
- U.S. exports to developing countries are more important than U.S. exports to the EEC, Eastern Europe, the Soviet Union and China combined.

- More than 20 percent of U.S. direct investment goes to the Third World. The rate of return is double that of investments in the developed countries.

The Western world, even if the times were good, could not nowadays take a major initiative in economic policy without weighing the impact on its growing interdependency with the Third World.

Hard Times

Times, we know, are not good. This has made the union between the poor world and the rich world even more indissoluble.

Take debt. The Third World chose to ease the burden of recession and higher oil prices by borrowing heavily from the private banking community. The ability of the developing countries to continue servicing these debts over the next few years is the subject of some debate. But even the optimists are worried that, in the long run, if Third World exports do not grow at a fairly rapid pace, the debts are unsustainable. A series of defaults by Third World countries would do serious harm to the Western banking system.

Take food. The essence of life. It is also, next to energy, the essence of inflation. It was the skyrocketing price of food in 1973 and 1974, as harvest after harvest failed around the world, that did much to trigger the modern crisis of inflation. Although at the moment there is a world surplus of food, the future prospects are not good. Between now and 1990 the world demand for food will grow by two-and-a-half times current U.S. annual output. Unless there is a second Green Revolution in the Third World, this demand can only be satisfied if there is a major increase in U.S. production. Yet to produce more grain in North America is becoming increasingly difficult and ex-

pensive — the yield of major crops in the United States has been falling since 1973. The likelihood on present trends is toward higher prices and hence higher inflation.

Debt, food, add to them commodity prices and trade barriers, not to mention a host of political questions ranging from the Law of the Sea to Cuban troops in Africa and it is all too obvious that, in good times and in bad, the interests of the Third World and the West are bound with hoops of steel.

Yet all is not gloom. The Third World connection can be turned on its head. Instead of being a burden it could be a prop.

Engine of Growth

Earlier this year, at a meeting in Rome of the Society for International Development, John Sewell argued that it is possible to recharge the rundown batteries of the Western world by using the buying power of the Third World. In short, keep lending them money so that they can spend it on us; invest in food production at their end so that world food prices are kept reasonably stable; reduce trade barriers so that we can all buy the best at its cheapest; and develop their own natural energy resources so that the demand for oil is not magnified even more. Add the impact of all this together and the Third World will not only avoid major calamities that will reverberate into our own system but will make a major contribution to the West's engine of growth without the concomitant of fast inflation.

It was only a few months ago that Mr. Sewell and his ilk were regarded by the heavyweight policymakers as a little up in the clouds. Now the debate has turned. Last week the British prime minister, James Callaghan, speaking in New York, hinted that he favored a Marshall Plan for the Third World. The Organization for Economic Cooperation and Development in a recent privately circulated policy paper came up with much the same idea. It argued that a system of co-financing between the commercial banks and the World Bank for projects in the Third World could make effective use of the "massive underutilized savings" now lying around. This, it said, would be "a bold and serious contribution to world economic recovery."

Who remains to be converted? Not President Carter I'm told. But the U.S. Congress, the West Germans and the Japanese. If the Bonn economic summit next month is anything, it should be a seminar where strategy for implementing this idea can be thrashed out once and for all.

Tuning Out Protectionism

A sigh of relief was heard round the world when the Supreme Court ruled recently against tariff protection for the Zenith Radio Corporation. The Court's ruling, overturning a Customs Court decision requiring "countervailing" duties on imported electronics equipment, will allow the United States trade negotiators to avoid a bitter confrontation with their European and Japanese counterparts. No judicial action, however, can relieve the continuing pressure in this country for greater protection against foreign competition. That will depend on a greater commitment to growth and trade by the world's other major economic powers.

An 1897 law obligates the Treasury to set special duties on imports that have been subsidized by government "bounties or grants." Zenith claimed that rebates of value-added taxes — a type of sales tax used widely in Europe and Japan — were in fact bounties, and demanded that the Treasury collect an equal tariff on imported television sets. Treasury refused, arguing that such rebates merely compensated exporters for indirect taxes they might pay in the importing country. That set the stage for the Supreme Court's decision.

Treasury's distinction between indirect taxes on products (which can be rebated) and direct taxes on income (which cannot) is a bit murky. But there are compelling practical grounds for its position. If the United States were to collect compensating duties against rebates of value-added taxes, our trade partners would have two choices: They could overhaul their tax systems, burying tax breaks for exporters out of reach of Ameri-

can legal sanction. Or they could retaliate, holding American exports hostage until the countervailing tariff law was repealed. Since few countries seemed prepared to give up their value-added taxes to appease the United States, the most likely result of an adverse ruling would have been skirmishes among allies and the collapse of negotiations on lowering trade barriers.

The conclusion of the Zenith affair is a happy one for those of us who believe that prosperity depends on open, expanding trade. It does not follow, though, that the drive for import protection will be slowed. The depressed state of most industrial economies is creating fierce competition for international markets, threatening profits and jobs in dozens of American industries. The United States has already backed away from open trade in steel, shoes, TV sets, sugar and textiles. And similar limits on imports of goods competing with ailing domestic industries are probably on the way.

If the momentum is to be reversed, it will require an about-face in policy by West Germany and Japan, which sell far more abroad than they buy. Japan must reduce its dependence on exports and open its borders fully to imports. Germany must fuel world demand by leading European growth, rather than following it. Unfortunately, neither change is likely to be forthcoming: in both countries, powerful interests block a commitment to expanded trade. Without such commitment, however, the Zenith decision will soon be overshadowed by renewed demands for greater protection of American industry.

THE NEW YORK TIMES.

International Opinion

China: A More Open Economy

Chinese Vice-Premier Li Hsien-nien is reported to have told a British delegation in Peking that China would in future borrow from banks abroad. This suggests the Chinese government has now got over its ideological antagonism to borrowing. China is moving toward a more open economy with more extensive contacts with the West.

China's reasons lie in the massive investment program over the next seven years that Chairman Hua Kuo-feng announced to the National People's Congress in March. The number of Chinese missions shopping for

equipment abroad are a firm indication that the Chinese are serious about their declared intentions to purchase foreign technology. Its demand for capital goods will be limited by the capacity of China's ports, roads and managerial skills to handle such a massive program in so short a time. It will try to buy as much as possible on barter terms. China is running a comfortable external account. On the record of its other commercial transactions, China's approach to new borrowing is likely to be cautious. There will be no grand leap into the international markets as many banks would like.

— From the Financial Times (London).

In the International Edition

Seventy-Five Years Ago

July 6, 1903

NEW YORK — A message from the New York Herald addressed to itself was the first business message to circle the globe on a continuous system of cables and land lines. The message, which was transmitted from San Francisco to Manila, went around the world via the telegraph lines of the Commercial Cable and the Postal Telegraph companies, taking 14 minutes to complete the route. A message was also sent by the same route to the Paris edition of the New York Herald.

Fifty Years Ago

July 6, 1928

NEW YORK — Brooklyn had its first elaborate gangland funeral yesterday when the body of Frankie Uale, slain racketeer and bootlegger, was buried with a pomp and circumstance even Chicago would have been hard put to match. The funeral procession, which was made up of over 250 cars, made its way to St. Rosalia's church, where a crowd of 20,000 had gathered. Uale, who was murdered by rival mobsters last week, was later buried in a solid silver \$15,000 coffin.

Letters

The Chinese Card

Comrade Brezhnev's recent comments with respect to the "play of the Chinese Card" by the United States indicate that he should study the history of the rise and fall of Imperial Germany. The "Chinese Card" has developed in recent years in much the same way as the Franco-Russian Pact of the 1890s developed. Kaiser Wilhelm could never quite realize that it was his policy of building ever larger armies and navies that provided a common ground for an alliance between Republican France and its political opposite, Imperial Russia.

Now we see the same process being repeated on a much larger scale, as those two political opposites, the People's Republic of China and the United States, find the differences they have are small compared to the menace provided by the vast scale of Soviet armaments. As the United States withdraws its land forces from Asia and as China continues to exhibit mini-

mal territorial ambitions, Mr. Brezhnev and his successors may discover that the "Chinese Card" has already been played. Just as Imperial Russia and Republican France shared no border and had few colonial conflicts in the 1890s, the United States and China share no common border and have few possible commercial conflicts in the 1970s. Just as Imperial Germany fomented instability to increase its influence in Africa 70 years ago, we now see the Soviet Union fomenting instability in Africa to increase its influence there.

If a new "great war" is to be avoided, it will be necessary for the three main participants to "call off the game" by realizing that the Soviet Union cannot build armies and weapons faster than both the United States and China, and that U.S.-China mutual reliance assures only that they will both be involved in any conflict rather than both be spared from it. Had the French and Germans of 1910 planned for "the day" when they would start reducing their threats against each other

rather than "the day" when they would settle old scores, we might all live in a very different world.

W. B. WALTERS,
Leuven, Belgium.

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To Lower Meal Costs

Japan Travel Agents Seek Tax Break for Foreigners

TOKYO, July 5 (NYT) — Hoping to lure foreign tourists, a group of Japanese travel agents has proposed that visitors from abroad be exempted from Japan's meal tax. The proposal is aimed at alleviating the financial strain on tourists, already beset by high food prices here and the recent decline in the value of several foreign currencies against the yen.

Currently everyone is required to pay a 10-percent meal tax whenever a restaurant bill exceeds 2,000 yen per person, or about \$9.50 at the current rate of exchange.

The resolution adopted two weeks ago at the annual meeting of the Japan Association of Travel Agents called for exemption of foreign visitors from the tax. The association, consisting of 362 travel agents, plans to petition the government in concert with other groups of hotel and inn proprietors.

The sharp rise in the value of the yen has made Japan, already an expensive place for visitors, even more expensive, especially for Americans. Very few can afford such lodgings as Henry Ford 2d enjoyed during his recent stay, a suite at the Imperial Hotel that now goes for \$1,000 a night. Mr. Ford, like many other visitors, would have had to pay only 75 percent as much on a visit a year ago.

As a result, more and more Asian-bound tourists now shy away from

Japan, choosing instead South Korea, Hong Kong, Singapore and other less expensive places.

According to Yasushi Otobe, executive managing director for the travel agents' association, cancellations of group tours from the United States are on the rise and several travel agents here have gone bankrupt in the last year. "Our whole business might slump at any moment," he said.

Though the number of visitors to Japan reached a million last year — a record — the rate of increase has started to fall. And the number of foreign visitors for April this year is believed to have been down by 1.8 percent from the same month a year ago, the first decrease since the end of World War II.

Also reflecting the dwindling value of the dollar here, the ratio of Americans to total foreign visitors has been sliding for the last two years. Furthermore, statistics indicate that visitors have started shortening their stays and reducing their spending. The average length of stay for a foreign visitor dropped from 12 days in 1975 to 10 days in 1976, and it is expected to drop considerably more.

Booty for Modern Pirates — Films, Records, Tapes

By Edwin McDowell

NEW YORK, July 5 (NYT) — A century after piracy was stamped out, it is once again an international problem. But today's pirates no longer sport colorful names like Bluebeard or Captain Kidd. Instead, they do business under such ordinary names as Dave Barnes, and the treasure they seek is not doubloons or pieces of eight but motion pictures, phonograph records and tapes.

Early in June, Barnes was sentenced to two years in prison and fined \$20,000 for his part in shipping pirated motion-picture prints from New York to South Africa, Lebanon and Swaziland. He pleaded guilty to four felony counts.

According to U.S. prosecutors, Barnes shipped more than 800 pirated film prints last year, including "Star Wars," with a value that Barnes said was in excess of \$500,000.

High-Return Investment
"Piracy is an extremely serious and growing business," said Homer Porter, a supervisory special agent with the FBI in Los Angeles. "It's so easy to become a pirate. For an investment of \$2,000, pirates are making \$5,000 a week by the end of the first month. Some are making a million dollars a year."

According to investigators and industry sources, pirates made a killing with Elvis Presley records and tapes after the singer's death. During the years, an estimated million copies of the RCA Corp.'s "Sound of Music" album were produced and sold by pirates, sources say. A recording-company executive, talking recently about the album "John Denver's Greatest Hits," made in 1974, said, "It may not be far off to say that pirates sold as many copies as RCA did."

Most pirated items are sold at cut-rate prices to record stores or on the streets. A growing number are shipped overseas to such centers of the piracy trade as South Africa and Saudi Arabia. The bolder pirates advertise their wares in newspapers and magazines, and some even print glossy catalogs.

Ready-Made Audience
Pirates can produce records for \$1.50 each and eight-track tapes for 60 cents. Inasmuch as they pirate only the most popular items, there



Trucks block both lanes of the Munich-Salzburg Autobahn at Walsberg, West Germany, on Tuesday. The carriers are protesting a tax on loads carried on Austrian roads.

Truckers Block Austrian Border Roads for 3d Day

VIENNA, July 5 (AP) — Austrian border roads remained almost impassable for the third day today as truck drivers continued to block border approaches with their vehicles in protest of a truck tax.

Police have avoided the use of force, and government officials said that they hoped to end the

demonstration through negotiations.

Truckers set up roadblocks in some areas inside Austria last night. The action caused the first injuries when a photographer-reporter team in the darkness hit one of the trucks.

The damage to the economy, and especially to the tourist

industry, has not been estimated.

The blockade is a protest against a "road traffic contribution" — as the truck tax is officially called — in force since Saturday. Each foreign truck has to pay 25 groschen (1.6 cents) per ton and kilometer it travels on Austrian roads. Austrian carriers pay a monthly lump sum.

100 or so prosecutions in the Los Angeles area (where much of the piracy and anti-piracy efforts are concentrated) have resulted in convictions.

Industry officials assert that too many judges treat piracy as an unimportant white-collar crime, when, in fact, there is heavy involvement by organized crime.

The common denominator is that all three are illegal, and none pays royalties, performers' fees or taxes.

10% of U.S. Sales

No one knows exactly how much money is involved. Nevertheless, Jules Yarnell, special counsel on anti-piracy activities for the Recording Industry Association of America, said, "We think the cost exceeds \$200 million a year in illegal records and tapes" — or roughly 10 percent of the \$2 billion annual sales of legitimate recordings in the United States.

Piracy is increasing, partly because of the relative ease of duplicating records and, especially, tapes. Moreover, the growing popularity of video-cassette tape recorders — which an Arthur Little report predicts will be in 10 percent of all U.S. households by the mid-1980s — is expected to intensify demands for more motion pictures and other so-called software, the sort of goods that pirates are eager to supply.

Few industry sources complain about individuals who tape shows off the air and replay them for their themselves and friends. But the legality of even this is not established in law.

Suit Against Sony

Two years ago, MCA-Universal and Walt Disney Productions sued the Sony Corp., charging that its Betamax videotape recorder encouraged copyright violations by enabling owners to tape copyrighted programs off the air. This, they contend, is illegal without permission and without payment of royalties, even though no commercial use is intended.

The trial is scheduled for early next year and, regardless of the initial outcome, is expected to wind up in the U.S. Supreme Court. Meanwhile, industry insiders predict that once videotape machines are in widespread use, stamping out film piracy will become as hopeless a task as was enforcing Prohibition.

If so, it would not be for lack of industry effort to call attention to violations. The motion picture industry's anti-piracy arm has offices or affiliates throughout the world. The record industry estab-

French Police Seize Cocaine

PARIS, July 5 (AP) — French customs agents have arrested a Chilean family after discovering 40 kilograms of cocaine in six suitcases, authorities said today.

One of the arrested Chileans said that he had been paid \$500 to carry what he had been told was dangerous merchandise but that he did not know what was inside the suitcases, the police said. The family was going to Rome.

In another incident yesterday at Charles de Gaulle Airport, the police arrested Henry Farris, 33, of Grasse, France, after discovering more than a kilo of cocaine in his possession. He was arriving from Bolivia, considered one of the world's major cocaine-producing countries.

U.S. Man Held By Angola for Alleged Spying

MERRITT ISLAND, Fla., July 5 (AP) — Angola has charged a Florida electrician with espionage after he and two Zairian co-workers drifted into the territorial waters of Angola aboard a rubber raft, the State Department said yesterday.

A department spokesman said that the United States had asked the African nation to release Larry Hensley, 29, who was charged on Sunday.

All three work for Morrison-Knudson Co., which is building a 1,760-kilometer electric transmission line through central Zaire. They were being held in Luanda, the spokesman said.

"They were charged with espionage by Angola and we don't know why. We sent a message to the government of Angola asking for the release of the American. We will make every attempt possible to secure his release," the spokesman told Florida newspapers.

According to the State Department, the three were taking a pleasure trip in a raft down the Zaire River when they strayed into Angolan territory and were captured. The Zaire government learned of the arrest from an Angola radio broadcast, the spokesman said.

Quake Jolts Salonika

SALONIKA, Greece, July 5 (AP) — A powerful earthquake, the third in a month, shook this city early today, injuring 16 persons and killing one. The quake measured 5.0 on the Richter scale.

Ernest Breech, Ex-Chairman of Ford Co., Dies

ROYAL OAK, Mich., July 5 (AP) — Ernest R. Breech, 81, the former board chairman of Ford Motor Co. who helped Henry Ford 2d rebuild the auto company after World War II, has died.

Mr. Breech, who died Monday, joined Mr. Ford as executive vice president in 1946 and worked with him in strengthening the firm, which was beset with financial problems after the war. He served as chairman of the board from 1955 to 1960. He remained active on the board of directors until he retired in 1967.

He went to Ford after a career with General Motors and with Bendix Aviation Co. It was while he was trying to sell Bendix parts to Mr. Ford that they became acquainted.

The automaker was losing an \$68 million a year when Mr. Breech joined Ford, bringing with him several associates from GM to form a management team.

In a statement, Mr. Ford praised Mr. Breech as "a business executive of extraordinary talent and energy who made a major contribution to the postwar revitalization of Ford Motor Co. Beyond that, he was a warm human being with the ability to inspire loyalty and dedication in others."

Luca Pietromarchi

ROME, July 5 (UPI) — Luca Pietromarchi, 83, who served as Italian ambassador to Moscow from 1958 to 1961, died Monday.

Mr. Pietromarchi was sentenced to death in absentia by a Fascist court for his role in negotiating Italy's World War II armistice with the Allies. He emigrated briefly to Brazil after the war, then returned to join Italy's Marshall Plan negotiating team. He was ambassador to Turkey for eight years before his appointment to the Moscow post.

Otto W. Timm

LOS ANGELES, July 5 — Otto W. Timm, 84, a pioneer of U.S. aviation and the man who gave Charles Lindbergh his first airplane ride in 1922, died yesterday, the Los Angeles Times reported.

Mr. Timm built his first plane in 1909 but it never got off the ground. In 1911 he began a career of barnstorming and exhibition flights, flying biplanes at the speed of 84 mph. The most notable of his planes, unveiled in 1938, was the Timm 840 bimotor monoplane, a wood-and-metal transport that included the first steerable tricycle landing gear.

Italy Won't Pay In Job Deaths

MILAN, July 5 (AP) — The national workman's compensation board has refused payment to the families of 16 employees of a chemical plant near here who died of urinary cancer, apparently contracted on the job, because the time limit on the claims expired while they were being investigated. Three other death cases are still being investigated, a Milan municipal official said.

The dead workers had been employed by the Saronio plant in Melignano, which produced benzides and beta-naphtha compounds. The plant was closed in 1967. Sixteen died between 1971 and 1973 of cancer of the bladder and urinary tract. The compensation board accepted that the deaths were job-related and investigated the possibility of paying the families involved 2.1 million lire (\$2,600) a year.

But by the time the investigation was completed, the three-year statute of limitations had expired for the 16 cases. The chemical workers union has announced plans to appeal the decision.

Confusion, Danger Cited

Leningrad Air Control Worries Pilots

By Emil Sveilis

LENINGRAD, July 5 (UPI) — "Ladies and gentlemen, we may encounter some turbulence during our approach to Leningrad. Would you kindly fasten your seat belts."

That is the pilot of a foreign airliner alerting his human cargo that it may be a bumpy landing at Leningrad's Pulkovo International Airport. Nine times in ten the bumps are not caused by nature but by Leningrad air traffic control.

"I have never seen such an operation," a foreign pilot said as I sat in the cockpit of a DC-9 approaching the Soviet Union's second-largest city. "Leningrad control might as well be guiding in old piston-engine DC-3s. That is what they are geared for — not the jet age."

This airline had an official policy under which pilots may refuse to fly to Leningrad. "While most international airports in the world give you clearance to descend from 9,000 meters to 1,000 meters gradually so the passengers don't feel it, this airport works quite the opposite," the pilot said.

"Here we have to go through five separate descent altitudes before we touch down, and when Leningrad air traffic control tells you to go down from 9,000 to 6,000 meters, you better do it fast unless you want MIGs on your tail."

Queasy Stomachs

So pilots announce that there may be some turbulence. "It is like jumping down from one step to the next."

He went on: "Then there is that gray area between 200 meters and touchdown. That's when you switch from approach control to ground control. If there is any emergency then, God help you."

The pilot explained that if nothing extraordinary happens, there is really no problem in landing at Leningrad, except for some passengers' queasy stomachs.

"But, let's say, I had an engine failure coming in. I tell you I'd rather return home on one engine than advise the controller of an emergency situation."

Today, he said, "we have it pretty good. At least they don't use an interpreter, as they did a couple years ago. But if you exceed their 200-word English vocabulary in guiding you down, they are lost — and I mean really lost."

Voices in Russian

A pilot for another Western airline said: "Once, Leningrad control told me to be on the lookout for a plane flying, would you believe it, across my flight path from my right side."

"I asked for the altitude of this aircraft. Leningrad control did not know, or did not understand. There was silence. So I just went in on regular approach and we missed the other plane. By how far I don't know and I don't want to know."

Our conversation with Leningrad control was in English, but all during the descent, voices broke into Russian from pilots and navigators of domestic aircraft.

"I don't understand Russian," said the pilot. "If it is an international airport then all conversation should take place in English, according to international air navigation rules."

Guidance Beacon

"There could be a Russian plane 100 meters below or above us and there is no way for us to know," he added. "We have to put our complete trust into air traffic control."

In the Russian radio traffic that we could hear, there was much swearing and simple chatter associated with grass landing fields. "Hi,

Valodia, this is Alexei, okay if I land?" a voice said. "What do you mean, no? I've got some goodies from Odessa." We recorded that exchange coming from an Aeroflot liner.

Foreign pilots say that as soon as they pass Helsinki air traffic control and go to Leningrad they have to ask Soviet authorities to turn on a guidance beacon which directs planes to Leningrad.

"It's not in constant operation," a pilot said. "The reason is simple. The Russians are very suspicious of foreigners. This beacon homes in on Leningrad airport, and any attacker following the beacon would know exactly where the airport is, even with cloud cover."

'Nothing We Can Do'

But surely an enemy wishing to attack the airport would know where it is, in this day and age, without depending on a Russian beacon. "I know, I know. But tell that to the Russians," the pilot said.

Once, on an outbound flight, we were given permission to taxi to the head of the runway. An Aeroflot plane was told to land on the same runway. "There's nothing we can do," the captain said. "If we move now it could cause more complications."

Suddenly the tower yelled "Nyet, nyet, nyet," and the IL-18 turboprop zoomed up no more than 200 feet over our heads to circle for another approach. We took off without further problems.

Foreign pilots approaching Leningrad usually ask for a simple straight-in approach, without circling. "Most of the time this is denied," an experienced pilot said. "I don't know why. It has even been denied when we don't hear any Russian radio chatter that would indicate other planes also are trying to land or take off."



A Question of Style.

Automobile styling not only indicates the origin of a model, it also embodies a certain character. The BMW image is traditionally one of functionalism and dynamic power, and the best expression of this unique character is found in the new BMWs. In spite of their larger dimensions and increased passenger accommodation, they appear less pretentious and cumbersome than other cars of a similar size in the international luxury class.

For us at BMW there is a difference between pretentiousness and exclusiveness, and the discreet functional elegance of the new BMWs illustrates this distinction. BMW cars owe their style to their makers, but they are a tribute to the taste of those who buy them.

BMW cars

The BMW range of fine automobiles: the ultimate in performance, comfort and safety. Designed for the man who appreciates the excitement of driving.



BMW — Sheer driving pleasure

Fashion

Artisan Jewelry and Where to Find It

By Hebe Dorsey

LE REDON, France, July 5 (IHT) — While the big-name jewelers are increasingly vying in world expansion and diversification, a lot of which has nothing to do with jewelry, there is a group of young designers who are still doing real artisans' work. For them, everything starts with creation and self-expression, which means that they put a great deal of personality into their products. Then, they also develop a keen, close relationship with their customers, an element that is fast disappearing in the big internationally known establishments.

In the forefront is Jean Mahie, who has been in business for 10 years. Jean Mahie really means two people. Jean Mazard and his daughter-in-law Jacline, who have created a distinct style. Mr. Mazard is quite a story himself. A multimillionaire who made his money with the baby clothes firm, Prenatal, he decided when he turned 60 to sell all of it, including his own bank, and turn his attention to making jewelry.

His son's daughter also had a gift in that direction and the two of them went at it with remarkable results.

Brief Contract

In fact, their jewelry is more like sculpture with a high, rich sheen that comes from their using 22-karat gold only. With a determined, dedicated spirit, they hammer out gold chains, rings, pendants, earrings, "each one distinctive, no two of similar design and some of it containing a subtle and amusing erotic theme," to quote David Susskind, who wrote the preface to a book about them.

It did not take long for the Ma-

zards to become known. Their reputation spread by word of mouth. Soon, wealthy American women visiting the Riviera traipsed off yachts to find them in their stunning, Jacques Couelle-designed house that has a full-scale studio in the garden. Then came commercial ventures. After a brief contract with Cartier, they opened their own shop, Tikal, near the Place Vendôme and then started exhibiting in New York. They had exhibitions both at Van Cleef and Arpels and Neiman-Marcus, and the latter has now turned out to be their exclusive client.

"With 12 stores, it's all I can do to keep up," said Mrs. Mazard, who is now going it alone. "I got her launched," her father-in-law said last week, "but now I want time to myself to write poetry."

Besides, the young Mazards now live in New York while Jean Mazard and his wife are settled in Geneva.

Jacline Mazard has branched out considerably in the four years that she has lived in New York. Although the hand-hammered chains and rings are still the best sellers, she is now doing massive, Byzantine-looking gold cuffs, their surface animated with bas-relief-like scenes. Some of them have an almost abstract appeal, with distorted male silhouettes and obscure primitive symbols. Some small sculptures, that are meant to sit in a vitrine, are tortured and skinny, with an almost Giacometti feeling about them.

People who buy a Mahie piece soon become addicted and Mrs. Mazard has an American customer who buys 50 pieces a year.

A Painter First

Another interesting new name on the Riviera is Michael Spinelli, who just opened a shop in Monte

Carlo's Hotel de Paris galleries. An engaging young American, Mr. Spinelli, 35, has been living in Milan for the last couple of years. A graduate of the Rhode Island School of Design, Mr. Spinelli is primarily a painter.

"I began working in fashion," he said, "mostly men's wear, including Dana and Philip Van Heusen."

He then switched to jewelry. Since 1970, his way of working has been to create a collection, submit it to various clients, including Cartier, Dior, Bulgari and Buccellati, and then have them select exclusive designs. Among other things, he designed Dior's handsome two-tone gold pen that has become a best seller.

But now he wants the stimulation of working on his own and the Monte Carlo venture, launched last week, is his first personal step into the world.

Unlike Mahie, whose designs have a primitive, diamond-in-the-raw quality, Mr. Spinelli does exquisitely finished work, smooth and refined and handcrafted with a very polished hand. He has several themes, but his best one is nautical, with two-color gold rope chains, bracelets, anchors, sail boats and even tiny propellers hanging from a cord.

Another arresting group is Etruscan-inspired with wide, massive chokers and bracelets to match. Mr. Spinelli also uses lots of stones and is trying to push for summer fruit jewels — such as raspberries made of ruby paves on gold.

He is also trying to give his boutique a strong fashion angle. Each jewel comes with a matching scarf (that he paints himself) and handbags, including some finished with a gold or silver jewel clasp — a fashion that used to be common in the 1920s and has gotten lost in our less luxurious, work-a-day times.



Jacline Mazard's daughter wearing her mother's creations.

Finally, in Paris, two young men are involved in the same kind of adventure. The team consists of a French financier and an American artist. Joe Rosenthal, another Bulgari alumnus, they have recently opened shop at 7 Place Vendôme in a cozy, slate-blue and white-gingham decor that speaks for the unpretentious spirit of the place.

For Mr. Rosenthal and his partner believe in carrying on a tradition of artisan work and they are also interested in giving customers very personal service. They love to

get hold of some old pieces that might have been sleeping for years in some customer's drawer and design some new, exciting jewelry.

One of their best lately is a sapphire-centered choker, held with several rows of fine seed pearls, which they did for Irene Amic, of the Grasse perfume fortune.

They also like to use unusual materials, such as ebony, and have made a striking ebony bracelet circled with gold and diamond rings that swing loose when the wearer moves her hand.

Fines and Jail Threatened

Greece Warns Divers on Antiquities

By Kerin Hope

ATHENS, July 5 (UPI) — Aqualing enthusiasts diving in Greek waters this summer must stay clear of submerged antiquities or risk stiff fines and even imprisonment.

Strict measures designed to protect more than 400 underwater sites — ancient shipwrecks, sunken cities and submerged harbors — around Greece's 9,000-mile coastline went into effect in April as the Archaeological Service extended its responsibilities offshore.

The waters of the Ionian, Aegean and Cretan seas cover much rich archaeological material, said George Papathanassopoulos, head of marine archaeology in Greece. "Many sites have to be pinpointed for the first time, surveyed and sometimes excavated."

Amateur skin-diving, he said, will have to be curtailed while "we find out exactly what remains are where and estimate their importance."

A Ministry of Culture ruling permits skin-diving around well-known tourist haunts like Mykonos and Corfu but has placed many areas of the central and eastern Aegean off limits to underwater swimmers.

A Lookout

To enforce the new measures, Coast Guard patrol boats used to prevent smuggling also will be keeping a lookout for antiquity hunters.

A new law under discussion in parliament calls for up to a year in jail for convicted antiquity thieves, by land or sea.

"You see, the barnacle-encrusted amphora taken from the seabed to make an ornament is really the ancient equivalent of an empty can," said archaeologist Haralambos Kritzas. "Left in the sea, in its cor-

rect context, it can tell the archaeologist about ancient commodities and trade routes."

Concern for Greece's sunken antiquities stems partly from Jacques Cousteau's underwater odyssey in the Aegean two years ago, when the French oceanographer made a se-

ries of television films in association with the Greek National Tourist Organization.

"Showing of Cousteau's films in the U.S. earlier this year has certainly increased peoples' interest in what's under the Aegean," a tourist official said.

Royal Ballet Is Facing Challenge Next Season

By Oleg Kerensky

LONDON, July 6 (IHT) — Anthony Dowell, the leading male dancer of the Royal Ballet, is leaving to join the American Ballet Theater.

Announcing this yesterday, the management of the Royal Ballet said Dowell feels that at this point in his career he must experience the added stimulus of working in a totally different environment. He will therefore dance with the Ballet Theater for the greater part of next season. The Royal Ballet is hoping that he will come back for some performances and that he will return to them for the following season.

Ann Jenner and Dela Baker are also leaving, to join the Australian Ballet.

No Foreigners

At the same time, Norman Morrice, the new director of the Royal Ballet, announced that he has decided to have an experimental season without foreign guest artists. He said that the Royal Ballet's own young dancers have been kept waiting too long for their opportunities and he wants to concentrate on de-

veloping them. So there will be no Makarova, Baryshnikov or Nureyev at Covent Garden next season.

In answer to a question, he admitted this would be a challenge for the company, in the absence of Dowell, but added that Dowell's decision to leave had only been made very recently.

The only guest artist announced for next season is Robert Irving, now musical director of the New York City Ballet, who will return to Covent Garden to conduct a number of ballet performances in October and November. The season will open on Oct. 19 with Kenneth MacMillan's recent three-act "Mayerling," and MacMillan will create a new ballet next March.

Plans for the Royal Opera include Meyerbeer's "L'Africaine," in a production borrowed from the Maggio Musicale, Florence. This will be the first performance of this work at Covent Garden since 1888. It is hoped that it will raise sufficient private funds to finance a new production of "The Magic Flute." There will also be the first Covent Garden performances of Stravinsky's "The Rake's Progress."

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Strauss Doubts Pact On Trade by July 15

WASHINGTON, July 5 (IHT) — Blocked by disagreement over agriculture, there is "little, if any, chance" that a full agreement on the broad political issues involved in the current multilateral trade talks in Geneva will be ready in

time for the Bonn summit in mid-month, U.S. special trade representative Robert Strauss said today.

It was the first time that Mr. Strauss flatly said that a full-fledged trade accord would not be possible by the July 15 deadline.

Dollar Rises On Support By Officials

LONDON, July 5 (AP-DJ) — Widespread profit-taking, coupled with some central bank support, propped up the dollar in foreign-exchange trading today following its steep slide against most major currencies yesterday.

In general, trading slowed in comparison with yesterday's agitated pace, though activity stepped up late in the session when U.S. banks re-entered the market after the Independence Day holiday.

Against the Deutsche mark, the dollar firmed 95 points to 2,0545 DM. The Bundesbank bought less than \$10 million to support the dollar, sources said.

The Swiss central bank apparently refrained from taking a new position, despite early reports of heavy intervention. The dollar managed to recover about 20 cents against the Swiss franc to 1.8168 francs.

In French franc trading, the French central bank bought an estimated \$65 million as the dollar rose to 4.4475 francs, a gain of 2.25 cents from yesterday. The Belgian central bank reportedly sold around 70 million DM to keep its currency within the limits of the European joint currency float, or snake.

U.K. Completes Restructuring On Eurocredit

LONDON, July 5 (Reuters) — The Bank of England, acting on behalf of the government, completed arrangements to restructure a \$1.5-billion Euroloan, extending its maturity by four years and cutting the interest rate to 4 percent above London interbank offered rates, the Treasury said today.

The shares of the original loan held by Chemical Bank and Morgan Guaranty have been taken up by the Bank of Tokyo and the Canadian Imperial Bank of Commerce, which have increased their shares.

Chemical and Morgan dropped out of the syndicate because they were unable to agree to the lower interest terms, the Treasury added.

U.S. Price Rises Hurt Toyota, Nissan Auto Sales

DETROIT, July 5 (AP-DJ) — Prices of leading imported autos are going up again, and at least one top foreign-car executive concedes the higher prices are hurting sales.

Toyota Motor Sales U.S.A. said it will boost prices on its cars an average of 3.7 percent, or \$184 and an official at Nissan U.S.A., which imports Datsun vehicles, indicated that it will follow with a similar increase "fairly soon."

Robert Link, Nissan vice president and general manager, confirmed that the long string of price increases on imported cars — capped by an increase of more than 5 percent, or \$250 a unit, in April — are taking their toll in dealer showrooms. Although he declined to estimate how much dealer activity has fallen off, he conceded that the price increases "are costing sales."

Despite a series of somewhat modest price moves earlier, foreign makes continued to do exceptionally well earlier in the year with sales rising almost 7 percent in the first quarter of 1978 from a year earlier.

But almost immediately after the big increases in April, imported-car sales faltered considerably, mostly because of the higher prices. In May, imports reported a 14-per-

centage decline, with Toyota reporting a drop of nearly 20 percent. Nissan sales fell almost 26 percent in May from record year-before levels.

The latest price move by Toyota, and the one expected by Nissan later, will make a total of five separate price increases the two importers have put through on their 1978 cars.

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To Finance Trade in Japanese Operations Center Competition Stiff For Duesseldorf Banks

By John Vinocur

DUESSELDORF, July 5 (NYT) — Although the city ranks only eighth among the country's largest, with a population of 615,000, Japanese businesses have made Duesseldorf their operations center in Central Europe. Now, aggressive competition has grown up among U.S., West German and Japanese banks for a chance to finance the deals that Japanese traders bring back largely from East Europe and occasionally from the Middle East.

The most vigorous competitors have their own Japanese specialists. At Citibank he is Yutaka Amano, who was transferred here from Tokyo, as were Susumu Nakada of Chase and Hidetsugu Yoshikoshi of Deutschebank. Morgan Guaranty's Duesseldorf branch manager, Steven Schlossstein, is a Texan with fluent Japanese who has also served in Tokyo.

There are about 4,000 Japanese living in Duesseldorf representing 192 concerns, 42 of them trading companies. They are backed up by seven Japanese banks whose total assets, according to most recent figures, are about 4.3 billion Deutsche marks. The total of loans on their books — and this is what makes business interesting — is 2.3 billion DM.

Tough Competition

The Japanese came to Duesseldorf and the Ruhr after World War II mainly to buy equipment and know-how. They stayed, setting up their own schools, restaurants and a hotel, but became sellers rather than buyers. With the Common Market's tightened attitudes on the import of Japanese steel, ships and certain con-

sumer goods, the trading companies here have focused increasingly on Eastern Europe as a market for heavy machinery, ready-built factories and oil refineries. Japanese exports to the Warsaw Pact countries grew 21.5 percent last year, compared with export growth of 8.6 percent to the Common Market.

A leading West German exporter of heavy equipment concedes that the Japanese constitute very tough competition in the Middle East. "Their strength comes not only from the relatively low wages in Japan, but also because the Japanese companies can often offer their customers lower interest rates through the Export-Import Bank of Japan than West German and American companies can offer," he said.

Because financing deals with countries in Eastern Europe and the Mediterranean basin is more difficult for the Japanese — Poland, Turkey and Algeria are examples of countries that have trouble in getting cash — there is more help sought from the big U.S. banks here.

"Personal contact is everything with the Japanese," said Mr. Schlossstein, whose bank has had to turn down some Japanese-Eastern European business this spring because of exposure considerations. "It is really a case where the banker who drinks sake with a client" — Mr. Schlossstein is the only Western member of the local Japanese club — "or can talk about the sumo wrestling scores with him, is more likely to get a call than someone with whom a Japanese businessman might not feel as comfortable."

According to the U.S. banks themselves,

their advantages in Duesseldorf are the ability to move quickly and very good access to international money markets. Their Japanese specialists also understand that it is not a Japanese custom for a bank to charge a fee, as it might elsewhere, for consultation on a merger or an acquisition.

The U.S. banks' disadvantage is that their Japanese competitors have extremely close relations with the trading companies and manufacturers, contacts so narrow that an executive of a U.S. bank said, "The man from Fuji Bank and Mitsubishi almost go out prospecting holding hands."

The basic pattern of Japanese sales involves a representative going out from Duesseldorf to Warsaw or Ankara, for example, seeing ministerial, banking and industry people, and then returning here with an idea of what kind of business can be done. The financing problems are turned over to the banks and they move as quickly as they can to get into the business.

"Very often we'll be offered the worst pickings," an official of one of the non-Japanese banks said. "For example, handling a 12-year North Vietnamese heavy-industry loan, which, frankly is pushing it. That kind of stuff has to be turned down."

Mr. Nakada, who has been with Chase for 25 years, neatly skirted the problem by saying: "Part of our job is really showing that we can handle the Japanese companies' business anywhere and that they're dealing with a genuinely worldwide operation. Much of our work involves counseling and just listening well. The direct rewards are not always visible there."

Aviation Leaders Near Hard Decisions on New Fleets At Stake — Sales of \$70 Billion, Impact on Balance of Payments

By Richard Witkin

NEW YORK, July 5 (NYT) — Aviation leaders of the Western world are nearing a series of hard decisions on a new generation of jet airliners to fill huge impending gaps in carrier fleets.

The decisions will determine how aircraft makers in this country and abroad, share an estimated \$70 billion in sales between now and 1990. And the decisions, which will have a strong impact on aerospace trade balances for the rest of this century, could significantly affect political relations among the Western nations.

Some of the plane models will be brand new; some will be foreshadowed or stretched-out "derivatives" of existing craft.

Either way, they are intended for the middle-size part of the airliner spectrum. They would carry from 160 to 210 passengers, fitting between today's conventional narrow-body planes of up to 135 seats and jumbo jets with 230 to 400 seats or more. They are needed both to accommodate enormous expansion in passenger loads and to replace the whole categories of current jets that are too inefficient, mainly in fuel consumption.

The most critical of the impending decisions bear on three aspects of competition for the "middle-size" market:

• A British cabinet committee has indicated it will decide this month whether Britain's aerospace industry should start joint ventures with the United States or with Continental Europe or with both. Prime Minister James Callaghan, apparently considering this one of the most important industrial decisions faced by Britain, plans to take up the joint-venture options with French President Valéry Giscard d'Estaing and West German Chancellor Helmut Schmidt at the European Council meeting in Bremen.

• United Air Lines, the biggest domestic carrier in the United States, has committed itself to a decision on new purchases by Aug.

31. It is weighing whether to buy the proposed Boeing 767, or a scaled-down version of the European A300 Airbus, or to forget about new designs for now, ordering more of the McDonnell Douglas DC-10s and Boeing 727s it currently flies.

• The European consortium that builds the Airbus has given strong signs it hopes to start full development of the scaled-down version before summer ends, whether or not United buys the plane. The issue that has been debated is whether to advance the date for plunging into full development and thereby, perhaps, influence both United's choice and Britain's decision on multinational ventures.

No Obvious Answers

There are no obvious answers for airlines, manufacturers and governments in choosing planes to handle traffic growth, replace inefficient fleets and meet noise rules as in the past with the move to first, jet engines and then to wide-bodied aircraft.

Some industry economists put the total market for jets in the next 10 to 15 years at more than \$100 billion. That would include not only the estimated \$70 billion for newly designed or derivative craft but also more orders for planes now in production. Both figures are in current dollars.

The big winner in the first two buying waves was Boeing — the dominating force in the current international contest. It wants to hang onto as much of that market as it can and has \$1 billion in cash to support new ventures. It also has had to figure a way out of a technological dilemma.

The problem had to do with the fact that the planes needed most between now and 1990 are planes of 160- to 210-passenger size. Boeing, because it vaulted from the narrow-body planes all the way to the mammoth 747, found itself with nothing in production that came anywhere near meeting the new middle-range passenger requirement.

Also too big, if 200 passengers or so is the right number, are the basic Lockheed and McDonnell Douglas wide-body trijets, the L-1011 and the DC-10, and the full-size European twin-jet Airbus. But all three of these can be scaled down to the desired passenger capacity. Not the Boeing 747, though. That is why Boeing has had to come up with planes from scratch.

There are three new planes Boeing would like to produce. One is the 767, a twin-jet wide-body craft that would carry 194 passengers in a layout United is comparing with a 193-passenger version of the Airbus. The second is the 777, a tri-jet 210-passenger wide-body. The third is the 757, a narrow-body 160- to 180-passenger craft. This is the one on which Boeing hopes Britain will agree to share the risk while

producing major sections under subcontract.

Lockheed and McDonnell Douglas has proposals for planes to compete with the new Boeing wide-bodies. Potential competitors for the 757 are the McDonnell Douglas ATMR (Advanced Transport Model Range) and the JET 2. (for Joint European Transport).

Clarence Wilde, sales vice president at Boeing, predicts a market for 1,500 planes (totaling \$30 billion in sales at \$20 million a plane) in the 180- to 200-passenger category (767 and competitors) through 1990. The figure for the category that includes the larger 777 is 1,000 planes (totaling \$22 billion in sales at \$22 million a plane). For the category that includes the smaller 757 the figure is 1,200 (totaling \$19.2 billion in sales at \$16 million a plane). The aggregate is more than \$71 billion.

Some Boeing competitors argue that, with discount fares attracting more ticket buyers than expected, the ideal load for additional wide-bodies will be higher than 200 passengers.

FINANCIAL NEWS AND NOTES

Resorts' June Take Is \$16 Million

Resorts International's daily gross revenues at its Boardwalk casino in Atlantic City averaged \$534,627 during June. In its first full monthly revenue report to the New Jersey Casino Control Commission, Resorts says the casino take was almost \$16.1 million. The figures represent a 22-percent increase over the last six days of May — including the May 26 official opening — when the casino averaged \$438,000 daily. Resorts says that during June, \$7.6 million of the take came from slot machines and \$8.44 million from the gaming tables.

Disputes Halt Chrysler U.K. Output

All car production at Chrysler U.K.'s two assembly plants has been halted by disputes with unions. A demand by toolmakers seeking a percentage pay increase greater than the 10 percent awarded to unskilled hourly workers led to a walkout Monday by 350 toolmakers serving the Coventry plant. Later, the company laid off 1,400 assembly-line workers, plus 570 at the neighboring Ryton plant where the company makes engines and transmission components. Last Wednesday, 350 paint shop workers

went on strike at the Linwood plant in Scotland because Chrysler insisted on reducing the daily break time to 10 from 15 minutes. "We wanted to bring it (break time) into line with every other car plant in this country," a company spokesman says. After the workers walked out, the company laid off more than 4,000 employees at the plant. As a result of the two disputes, Chrysler's U.K. operation is losing the production of 700 cars a day. A quick settlement is not foreseen.

Inland Sees Higher '78 Profits

Inland Steel expects earnings to at least reach the bottom range of analysts' estimates of \$5.40-to-\$6 per share, compared to last year's \$4.23, Chairman Frederick Jaicks says earnings could even be higher if the company is able to maintain the high productivity level of the first half. Second-quarter earnings will be higher than the \$1.97 of a year earlier, but he declines to say by how much. "There's no question we're going to have an all-time second-quarter shipment record" of 1.6 million tons or better, he notes. Third-quarter bookings have plateaued in the last few weeks "at a very high level," and he expects Inland to be operating at over 90 percent of capacity through the third quarter.

to 15½ and Tenneco ¼ to 30.

In Chicago, wheat and corn were higher, oats were fractionally higher and soybeans irregularly higher at the close today on the Board of Trade.

Wheat was up 9½ to 13½ cents; corn rose 2 to 3¼; oats gained 2½ to 3 and soybeans advanced 10 to 19 cents.

Panel Predicts U.S. Controls On Economy

NEW YORK, July 5 (Reuters) — A return to wage and price controls in the United States is expected by the Conference Board's economic forum.

Pressures for such controls are building and the economy is gradually moving towards formal incomes policies through increased efforts for a "voluntary" approach, the forum said. The forum of 12 leading economists and analysts also forecast gross national product will rise 10.1 percent in 1979 but only 3.3 percent in real terms against 3.8 percent this year.

Consumer prices are expected to rise by 6.7 percent next year against an estimated 6.6 percent in 1978. Only one member predicts an outright recession in 1979, but the forum is far less optimistic than it was last autumn, expecting both slower economic growth and faster inflation.

U.S. Outlays Up In Construction

WASHINGTON, July 5 (AP-DJ) — U.S. construction spending rose 2.9 percent in May to a seasonally adjusted \$198.6 billion annual rate, the Commerce Department reported today.

May's increase follows a 4.4-percent rise to a revised \$193 billion rate in April. The May rate was 14.5 percent higher than the \$173.4 billion rate in May of last year. The department also reported that private construction spending increased 1.6 percent to an adjusted \$153.8 billion as outlays on residential buildings rose 1.6 percent to a \$91.5-billion clip.

Public construction outlays climbed 8 percent to a seasonally adjusted \$44.8 billion rate following a 10.1-percent increase in April. Measured in 1972 dollars to strip away effects of inflation, construction spending rose 2.9 percent in May following a 3.1 percent rise in April and was up 5.8 percent from May of last year.

W. German Jobless Off

BONN, July 5 (UPI) — The number of registered unemployed in West Germany fell 3.9 percent to 877,300 in June, the Federal Labor Office announced today. The rate in May was 4 percent. The number of workers temporarily laid off fell in June by 4,800, to 230,500 and the number of job openings increased by 24,800 to 279,700.

All of these securities having been sold, this announcement appears as a matter of record only.

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12 Month	Stock						12 Month	Stock						12 Month	Stock						
High	Low	Div. in 3 Yrs.	P/E	100s.	Close	Prev. Close	High	Low	Div. in 3 Yrs.	P/E	100s.	Close	Prev. Close	High	Low	Div. in 3 Yrs.	P/E	100s.	Close	Prev. Close	

[illegible]

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	1978	Prev	High	Low
Amsterdam	91.20	91.40	94.20	85.60
Brussels	104.20	104.64	108.30	94.04
Frankfurt	148.20	149.24	151.20	141.14
London 30	432.00	433.10	479.30	430.40
London 500	724.00	724.64	734.37	705.42
Nikkei	42.00	41.69	44.23	35.45
Paris	104.80	104.85	108.59	78.10
Sydney	479.24	476.77	501.34	441.19
Tokyo (n)	476.66	478.80	479.46	344.04
Telaviv (a)	5376.34	5362.01	5374.34	4867.91
Zurich	308.30	307.40	342.00	272.80

(n) new (a) old

Eurocurrency Interest Rates

	Dollar	D-Mark
1 M.	7 11/16 - 7 13/16	3 3/4 - 3 3/4
3 M.	8 1/4 - 8 1/4	3 3/4 - 3 3/4
6 M.	8 7/16 - 8 9/16	3 3/4 - 3 3/4
1 Y.	9 1/4 - 9 1/4	3 3/4 - 3 3/4
	Swiss Franc	Starting
1 M.	1 1/2 - 1 1/2	10 1/2 - 11
3 M.	1 1/2 - 1 1/2	11 - 11 1/4
6 M.	1 9/16 - 1 11/16	11 1/4 - 11 1/2
1 Y.	2 - 2 1/4	12 - 12 1/2
1 Y.	2 1/4 - 2 1/4	12 1/2 - 13

Notice to the Holders of Bonds of the issue 8% - 1977/86 of US \$25,000,000 made by the European Coal and Steel Community.

The commission of the European Communities announces that the annual instalment of bonds amounting to US \$3,000,000 has been purchased for redemption on September 1, 1978.

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Hitachi	230.00
Honda Motor	573.00
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Tokai	408.00
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Tokai Marine	457.00
Toshiba	145.00
Toshiba	904.00

European Gold Markets

	Open	Close	N.C.
London	184.40	184.20	- 0.20
Zurich	184.375	184.375	- 0.25
Paris (12.5 kilo)	184.47	184.00	- 1.20

U.S. dollars per ounce.

Gold Options (prices in \$/oz.)

Month	Aug.	Nov.	Options for Feb. 1979 start on 10th July 1978
185	3.75-4.75	9.00-10.00	
190	1.50-2.50	5.75-6.75	
195	0.25-1.25	3.75-4.75	

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AMEX Nationwide Trading Closing Prices July 5

[illegible][illegible]

Toronto Stocks

Closing Prices July 5, 1978

[illegible]

Montreal Stocks

quotations in Canadian funds.
quotes cents unless marked \$

Stock	High	Low	Clos	Chg.
357 Asbestos	\$43 1/2	43 1/2	43 1/2	+
474 Bk Mnt	\$22 1/2	22 3/4	22 1/2	+
500 Basic Res	460	460	460	+ 10
560 Bk Cem	\$11	10 1/2	10 1/2	+
580 Bk Cn	\$27 1/2	27 1/2	27 1/2	+
580 Bk Cn	\$27 1/2	27 1/2	27 1/2	+
540 Dm TxlA	\$11 1/4	11 1/2	11 1/4	+
500 FCA Int	280	276	276	-1
70 Imesco	\$33 3/4	33 3/4	33 3/4	+
500 Molson A	\$10 1/2	10 1/2	10 1/2	+
500 Price Co	\$11	11	11	+
725 Royal Bk	\$32 1/2	32	32 1/2	+
500 Rov Tr A	\$18 1/2	18	18 1/2	+
500 Steinhof A	\$19 1/2	19 1/2	19 1/2	+
500 Zellers	\$ 8 1/4	8 1/4	8 1/4	+

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Evert and Navratilova Reach Singles Final

By Neil Amdur

WIMBLEDON, England, July 5 (NYT) — Chris Evert avenged last year's loss to Virginia Wade 6-6, 6-4 today and joined Martina Navratilova in the women's singles final at Wimbledon.

But Navratilova seemed more distraught than elated with the emotional circumstances that surrounded her 2-6, 6-2, 6-4 semifinal victory over Evonne Goolagong on Tuesday.

For the second consecutive match, Goolagong suffered sharp

pains in her left leg, the result of an apparent tear in the fiber of the Achilles tendon. This time, the injury occurred as Goolagong stretched to hit a forehand lob while she was serving with the advantage for a 4-3 lead in the final set.

Stopped in Her Tracks

Reaching for the shot, Goolagong let out a piercing cry that was heard throughout the stadium and that prompted Navratilova, who was moving toward the net, to stop.

"I quit playing when I heard the

scream," Navratilova recalled. She lost the point and the game but managed to win the next three games for the match, with Goolagong virtually immobile on the opposite end of the court.

It was a tenuous situation, with Navratilova, one of the strongest players in women's tennis, reluctant to press her physical advantage until she broke at 3-4 as Goolagong declined to default during the court changeovers.

"When I went over to Evonne," Navratilova said, recalling their initial discussions after the seventh game, "she said she didn't think she could go on playing. But she kept on moving around so it seemed she was able to go on."

In the next game, she was limping badly, and I just kept looking at her. But I thought to myself, I must keep going because there was always the possibility of my losing my serve, and then she could have gone on and won the match."

A loss of concentration under similar circumstances inhibited Virginia Ruzici of Romania, who led Goolagong, 5-2, in their quarterfinal match yesterday only to lose, 7-5, 6-3, after the 26-year-old Australian stopped play and tearfully seemed on the verge of default in the opening set.

The Evert-Navratilova final comes two weeks after a classic final in a tournament at Eastbourne, which Navratilova won, 6-4, 4-6, 9-7, in their first meeting of the year.

However, Wimbledon's stately center court will be much more awe-inspiring than the cozy confines of a public park in a seaside resort on the Channel coast of England. And Evert, the Wimbledon champion in 1974 and 1976, may be just reaching her peak at this year's tournament.

Last year in the semifinals, Wade upset Evert in three sets with a patient attacking game. The weather was warm that day, with the country caught up in a Queen's Jubilee and Wimbledon's centennial celebration.

The weather was windy and cold today, the chilliest July since 1960. Spectators huddled under blankets. Jimmy Connors watched the match with his head wrapped in a white towel, and like Nastase, Evert's World Team Tennis mate in Los Angeles, left the special friends' box and returned with two olive-drab topcoats that looked like remnants from World War II.

The fourth-seeded Wade also was not the pressure-free player of a year ago, and Evert sensed this nervous uneasiness in the opening game, which Wade won despite two double faults and three break points.

"I looked in her eyes and could see she was nervous," Evert said.

A slow, soggy court and uncertainty about both players produced tentative shotmaking, with Evert breaking for 7-6 on a backhand cross-court winner and then holding at 30 for the set.

Fourth Record In Swimming

From Wire Dispatches

BERLIN, July 5 — Barbara Krause of East Germany set a women's world record in the 100-meter freestyle swim at the East German championships today, registering a time of 55.41 seconds.

This cut .24 of a second off the record set by Kornelia Ender of East Germany at the 1976 Olympic Games.

The 100-meter record was the fourth set during the East German championships. Krause broke the mark for the 200-meter freestyle first and Andrea Pollack set the two others.

Yesterday she broke her own 200-meter butterfly mark with a time of 2 minutes, 9.87 seconds. Pollack set the old record of 2:11.20 in April in a meet against the Soviet Union in Leningrad.

Pollack also set a 100-meter butterfly record of 59.46, breaking the 59.78 record set a year earlier by a teammate, Christiane Knacke.

Transactions

BASEBALL

American League

CLEVELAND INDIANS—Extended the contract of Jeff Torborg, manager, through 1979.

National League

PHILADELPHIA PHILLIES—Purchased

Burt Metzger, pitcher, from the New York Mets for an undrafted amount of cash, and assigned him to Oklahoma City of the American Association.

Auerbach in Dark

Red Auerbach, who has been associated with the Celtics for 28 years as a coach, general manager or president, said from his home in Washington that he had not been consulted about any of the players named in the switch of franchises.

"I have tried to keep Red informed the best I could," said Levin. "He is more than just someone who worked for me; he is my friend. He has told me he has not talked to anyone about another job, nor will he until after his contract is over on Aug. 1. I believe him. I think Red is the Celtics and should stay in Boston. I think that when he sits down with Brown and talks they will have a meeting of the mind."

Brown, reached in Fort Lauderdale, Fla., did not deny that the Celtics would get Knight, Archibald and Barnes. He said that the Celtics would retain the draft rights to Bird, who apparently wants to play another season at Indiana State University before turning pro.



Evonne Goolagong holds her injured leg during play yesterday.

Nastase Accepts Penalty

WIMBLEDON, England, July 5 (UPI) — Ilie Nastase said today that he would accept a three-month ban and \$5,000 fine for bad conduct handed down by the Men's International Professional Tennis Council so he could make "a fresh start" in October with a clean slate.

The Council announced its decision yesterday just after Nastase's quarterfinal singles match with Tom Okker. It followed a series of incidents in recent months in U.S. and European tournaments.

"After careful consideration, I have decided to accept the Council's decision," said Nastase, who expected the suspension to start July 10.

"I would also hope that the money is used for the benefit of young players preparing for a career in professional tennis," he said in a statement.

"I feel that this is the best way to let the matter settled quickly so

that I can make a fresh start in October with a clean slate."

Nastase's temperament has led him to a succession of clashes with officials, opponents and spectators throughout his career. The combination of his skill and his tantrums has made him one of the biggest draws on the pro circuit.

Nastase recognized his antics got him in trouble, but said he appeared to be the only player to be disciplined for misbehavior.

"Given that I am imperfect, then it should also be recognized that those who sit in judgement over the players both on and off the court are sometimes imperfect. Yet also, it seems, I am the only one who is forced to pay for his mistakes."

Under the ban, Nastase will not be allowed to play in Grand Prix events for three months, including the U.S. Open championship, but he is not barred from other competition, such as World Team Tennis.

NBA Celtics and Braves Expected to Trade Seven

By Sam Goldapier

NEW YORK, July 5 (NYT) — Even Boston Celtics and Atlanta Braves, including such stars as Archie Gooden and Billy Knight, are expected to change uniforms after the owners of National Basketball Association teams approve the move to San Diego and the transfer of ownership of the two franchises.

Irv Levin of the Celtics and John W. O'Connell of the Braves agreed last week to exchange franchise ownership and at the same time apparently talked about exchanging members of their players. The board of governors of the NBA is expected to approve the move to San Diego at the change of ownership at a meeting in Chicago on Friday.

A source close to the negotiations said that Marvin Barnes would move to Boston with Knight. In return, Sidney Wicks, Kevin Kunnert, Kermit Washington and Freeman Williams, the Celtics' top draft choice, are sent to San Diego.

Owner Cautious

Levin, from his home in Palm Springs, Calif., refused yesterday to say that those were the seven players he would trade. He said he would not say whether the Celtics would retain the draft rights to Larry Bird, their other first-round pick.

ew Leader of Tour

POINTERS, France, July 5 (Reuters) — Sean Kelly won the 11th stage of the Tour de France cycle race here today, edging ahead from the pack. Knetenmann took the overall lead, the yellow jersey from Klaus-Peter Thaler.



Mullin's illustration for an encyclopedia article about basketball.

Hail Willard Mullin, All-Time Cartoonist

By Red Smith

NEW YORK, July 5 (NYT) — The news from the third green at the Sawgrass Country Club in Ponte Verde, Fla., is almost as bad as it could be. Willard Mullin reports that back in February some doctors up in Jacksonville put him in a cage, poked sticks through the bars and then told him he had lung cancer. They gave him three months to a year.

The only reason the news isn't as bad as it could be is that Willard says he feels fine, except that it takes him three tries to blow out the candles on a 4-year-old's birthday cake. In the condominium that overlooks the third green — it's a par-3 hole and he watched Jack Nicklaus take a double bogey there — he plays bridge, reads, talks, laughs, drinks beer or chablis and makes like Julia Child.

For approximately 40 years, Willard Mullin did a daily cartoon that occupied the middle of the first page of the New York World-Telegram sports section. When he retired after the paper folded, the National Cartoonists Society saluted him as Sports Cartoonist of the Century, an understatement.

He was the sports cartoonist of the era, including the Paleozoic, because there never was another who combined such news sense and wit and perception with such a comic pen. Under his touch, a foot in a spiked shoe became hilarious. He was an original with a gift for creating memorable characters to represent baseball teams — the soiled and tattered Brooklyn Bum, the chesty Yankee in pinstripes, the bloated and vapid booby for the New York Giants. St. Louis Swifty, a diamond-studded Mississippi River steamboat gambler for the Cardinals.

The changing face of big league ball gave him no trouble. When the Dodgers went Hollywood, the Bum put on a beret and shades. When the Boston Braves moved to Milwaukee, the Indian with a breech cloth that Willard had created developed a beer belly that grew almost imperceptibly larger month by month, and a faint German accent crept into his speech.

Like any good reporter, Willard pounded the beat regularly, making the ball games, the fights and the races in person. Staying abreast of the news, he was able to keep his cartoons fresh and timely, and most of them made pointed editorial comments. There is no estimating how many sports columns were inspired by his sketches.

Now a rising 76, Willard grew up in the San Francisco Bay area and came to New York from The Los Angeles Herald. Recently he chatted with Ken Pickering of the Fort Myers News Press about his days in the big town. Ken Pickering, who was a newspaperman's champion because he always finished in time for the first edition. The guys could get their work done and make it to the bar at Shor's or Leone's with hours to go before closing time.

"That's when the newspaper business was fun," Willard told Pickering. It may come as news to him that it's still fun. The only trouble is there are too few like Willard Mullin in it.



Again Mullin, on minor-league baseball.

Carew Tops All-Star Vote In the American League

NEW YORK, July 5 (AP) — The major league's top hitters — Jim Rice of the Boston Red Sox and Rod Carew of the Minnesota Twins — head the 1978 American League All-Star starting lineup.

Rice, who leads the majors in home runs, batted in, will be making his first All-Star game start in the outfield, while first baseman Carew, baseball's top hitter for average, will be making his 12th start. The game will be played July 11 at San Diego Stadium.

Also selected by the fans as starters for the American League were second baseman Don Money of Milwaukee, shortstop Fred Patek of Kansas City, third baseman George Brett of Kansas City, catcher Carlton Fisk

Lasorda Picks Nine Pitchers

NEW YORK, July 5 (UPI) — Vida Blue and Ross Grimsley, who lead the National League in victories with 11 each, head a staff of nine pitchers selected by manager Tom Lasorda for the annual All-Star Game at San Diego on July 11.

Blue, of the San Francisco Giants, has an 11-4 won-loss record, and has won one All-Star decision in two games. This will be his fourth appearance while Grimsley, 11-5 for the Montreal Expos, is making his first All-Star appearance.

Joining Blue and Grimsley will be Tom Seaver of the Cincinnati Reds, Steve Rogers of the Montreal Expos, Bruce Sutter of the Chicago Cubs, Reggie Fingersh of the San Diego Padres, Pat Zachry of the New York Mets, Tommy John of the Los Angeles Dodgers and Phil Niekro of the Atlanta Braves.

Lasorda, 2-0-0-0-0, 3.00 ERA, 1977 NL Cy Young Award winner, picked 11 pitchers, 10 of whom were starters in the 1977 season. Lasorda, 37, is in his 11th season as manager of the Dodgers.

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Catfish Hunter Feeling No Pain

By Tony Kornheiser

NEW YORK, July 5 (NYT) — Last week's "Monday Night Baseball" game between Boston and New York was over. Boston had won, 4-1, and the patient in the private room in Lenox Hill Hospital in Manhattan shut the lights and went to sleep. In the morning he would be put under general anesthetic and his right shoulder would be manipulated in an attempt to free him from a pain that had soured his spring and summer.

As he slept, he had no way of knowing that one borough away, in the Bronx, his condition was being discussed by two veteran opponents — Carl Yastrzemski and George Scott — who wished him well. Catfish Hunter might even have been snoring.

"All you needed to win a game was give him the ball; he could put it anywhere he wanted and change speeds," said Yast. "I'd like to see him come back and pitch."

The Boomer's Opinion

Dressing next to Yast, the Boomer heard the name "Catfish" and a suggestion that he might never pitch again, and the Boomer made his voice a trumpet. "I'll tell you one thing," Boomer shouted, "the man don't have nothing to be ashamed of, no matter how he goes out. He went out and beat people. He batted your tail. The man couldn't alibi a lot of times, 'cause he was pitching hurt, but I never heard him alibi once, 'cause he ain't that type."

The Boomer was standing now, and his words were coming out in loud volleys.

"I'd give him the ball in a big game before I'd give it to anyone, not Tom Seaver, not nobody. He pitched his 300 innings and won 20 games for years. He's a Hall of Famer, jack!"

"A helluva pitcher," Yast said. "A helluva pitcher."

James Augustus Hunter, in the fourth year of a five-year contract worth \$3.5 million, pitched only one inning in June. He had come off the 21-day disabled list, and on June 21 in Boston, Billy Martin put him in for a mop-up of a lost game to see how his arm was. It was awful.

Hunter gave up four hits, including two homers, before striking out Yaz with the bases loaded to retire the Sox. So embarrassing was Hunter's performance that reporters suggested Yaz had struck out deliberately. The next day the 32-year-old pitcher was again placed on the 21-day disabled list, and a Yankee spokesman said sorrowfully, "Cat may look again."

The Boss Looks On

In the stands Al Rosen, the Yankees' president, watched Hunter get rocked. Later he said he had "bled" for the man.

Hunter threw in extreme pain; he simply could not bring his arm into the cocking position. He threw for the reasons he had always thrown — because the manager had

asked him to, because he is paid to pitch and Catfish Hunter doesn't like to be paid without working. But he knew that what he was doing wasn't really pitching, and the next day he went to Rosen and Martin, and said: "Something has to be done to see if I can pitch again. I can't go out there like that. If they want to cut on it, fine. I just want to contribute, do something for the club."

Hunter was desperate. "I don't know what happened to my arm," he said. "It's gone south."

A Select Few

In his prime, from 1971 to 1975 with Oakland and New York, he won at least 21 and as many as 25 games a season. Only four pitchers in the history of baseball have won 200 games before turning 31. Hunter is one. The others were named Young, Mathewson and Johnson.

He was never overpowering, but he had the best control in the game. From 60 feet 6 inches he could, by his own estimation, deliver the ball to within three inches of his target 90 percent of the time. "Sometimes when he missed the corner the umpire gave him the strike, because he figured he just saw the pitch wrong," said the Yankees' Paul Blair, who played against Hunter for 12 years as a Baltimore Oriole.

Often Hunter would throw as few as 80 pitches in a nine-inning game, because opposing batters wouldn't bother to wait him out. "He'd keep you coming back to the bench wondering what he did to get you out so easily," said Boomer Scott. "He gave you the most comfortable 0 for 4 in the game, but you was 0 for 4."

Declining Production

Then in 1976 he started feeling pain in his right arm. He pitched

Munson Hints At Retirement

NEW YORK, July 5 (AP) — Catcher Thurman Munson says he may retire before the end of his current three-year contract with the New York Yankees unless he can play closer to his home in Canton, Ohio. The New York Times reported today.

"I've got three more years on my contract," said Munson, the Yankees' first captain since Lou Gehrig. "I wouldn't count on my playing all three. I don't try to hide what I want. I want to be closer to home."

Munson voiced his displeasure with the Yankees' owner, George Steinbrenner, during the winter, to the point where he considered retiring rather than returning to the Yankees.

"Had I not reached some agreement with the owner," he said, "I definitely think there was a good chance I wouldn't have continued." The agreement is through the 1981 season, but Munson would not discuss details.

Cardenal's Pinch Homer Defeats Mets

NEW YORK, July 5 (AP) — Jose Cardenal pinch-hit a two-run homer with two out in the bottom of the ninth inning yesterday to give the Philadelphia Phillies a 3-2 victory and a split of their holiday doubleheader with the New York Mets.

Pat Zachry pitched a two-hitter and Lee Mazzilli hit a grand slam home run in the eighth inning as the Mets won the opener 4-0.

For the Mets, Craig Swan, 1-5, carried a three-hitter and a 2-0 lead into the ninth inning of the nightcap but with two out, Bob Boone doubled down the right field line. Cardenal, hitting for Bud Harrelson, then got his third home run of the season.

Until Cardenal's home run, Swan had pitched well, striking out 13 batters to tie a National League high this season. Swan's strikeouts included Greg Luzinski four times.

In the opener, Philadelphia starter Larry Christenson, 5-8, shut out the Mets on three hits until the eighth. Doug Flynn then lined a one-out single. Zachry sacrificed. Lenny Randle was walked intentionally and Tim Foli also walked. Mazzilli then hit a 3-2 pitch far over the right field fence for his first career grand slam.

Padres 7, Giants 5

At San Francisco, Dave Winfield's third career grand slam homer highlighted a five-run first inning and led San Diego to a 7-5 victory over San Francisco. The victory was the 12th in the last 15 games for the Padres and moved them within 7½ games of the first-place Giants, who lost for the eighth time in their last 11 games.

Pirates 3-4, Expos 1-3

At Pittsburgh, home runs by Willie Stargell, Omar Moreno and Bill Robinson gave Pittsburgh a 4-3 victory over Montreal and a sweep of a doubleheader. In the opener, pitcher Bert Blyleven had a three-run double and scattered five hits over eight innings before leaving with a stiff arm as Pittsburgh won, 3-1.

Blue Jays 9, Tigers 2

At Detroit, John Mayberry had four singles in five at-bats while Luis Gomez and Roy Howell drove in two runs each as Toronto crushed Detroit, 9-2. Toronto blasted four Tiger pitchers for 17 hits, equaling the most given up by Detroit in a game this year.

Twins 7, Brewers 2

At Kansas City, Clint Hurdle, who had not driven in a run in 14



Catfish Hunter

and won 17 games for a league championship team that won 97. In 1977 with pain all season he won nine games for a world-championship team that won 100.

So far this season he has won only twice and has given up seven homers and 27 hits in 27 innings. His earned-run average is ludicrous: 5.93. A dead mackerel.

Last week, Dr. Maurice Cowen, the Yankee physician, spent 10 minutes manipulating Hunter's arm in a hospital room. The procedure was the same that Cowen had used so successfully on Don Gullett. When Hunter came out of the anesthetic he found he could once again cock his arm. He had no pain. That afternoon Hunter lobbed a baseball to his 8-year-old son, Todd, in the backyard of his Norwood, N.J., home. No pain.

That night as they watched the Yankees beat the Red Sox in 14 innings, Hunter kept his arm in ice. The next morning, again, there was no pain. Cowen had told him that there was "a certain unknown" in this manipulation business. "We don't know how long the cure will last," the doctor had said.

Still, on Wednesday there was no pain.

A Lot of Toll

The arm, which had thrown 3,253 major league innings — far too many for a 32-year-old arm, some people think — was pain-free. Catfish Hunter was calling it "a miracle."

He was smiling as he sat in the rocking chair in his den, directly under a portrait of him in his Yankee uniform, across the room from the stuffed and laminated catfish that hangs above the television set.

"I always thought something would happen, and I'd come back and pitch," he said. "I know there had to be a doctor somewhere who could help. I woulda kept on tryin' as long as my contract ran, 'cause I know if my arm comes around and I can throw, I can win easily. I still have my control. It ain't sumpin' you forget. It's like riding a bicycle. All you need is to get back on, and you remember how it's done."

He grabbed his shoulder, pushed it back and smiled when once again he felt no pain.

"Some arms happened to other guys."

Major League Standings

AMERICAN LEAGUE EAST

Team	W	L	Pct.	GB
Boston	23	24	.488	—
Milwaukee	45	34	.570	0
New York	40	37	.519	5
Baltimore	43	34	.561	11
Detroit	38	41	.481	16
Cleveland	37	42	.468	17
Toronto	39	36	.517	25

WEST

Team	W	L	Pct.	GB
California	42	28	.598	—
Oakland	42	28	.598	—
Texas	40	38	.513	1
Kansas City	44	35	.558	2
Chicago	37	42	.46	

